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TODAY'S LEISURE

Americans Take A Worldly View

Pragmatism Inspires Interest In Languages and Contacts

By Brian Knowlton  
International Herald Tribune

WASHINGTON — Contrary to a view often heard in Washington, Americans are not turning their backs on the outside world. They are studying it, preparing for it, doing business with it and learning its ways in numbers that continue to rise.

A raft of statistics points to increasing awareness of the interconnected nature of the world and pragmatic efforts by Americans not to be left behind.

Consider these indicators: More Americans are studying foreign languages than a decade ago; more Americans are working or living abroad; more are enrolling in

Last of two articles

international-studies programs; more are getting passports, and more are using them; more are placing overseas phone calls; more are doing business abroad; and more are expressing interest in overseas volunteer programs like the Peace Corps.

The number of colleges and universities offering international-studies programs has risen steadily, said Louis Goodman, dean of the School of International Service at American University, in Washington. Mr. Goodman said the number of graduate-level students entering those programs nationwide rose each year until 1995, when it leveled off at 5,000 to 6,000.

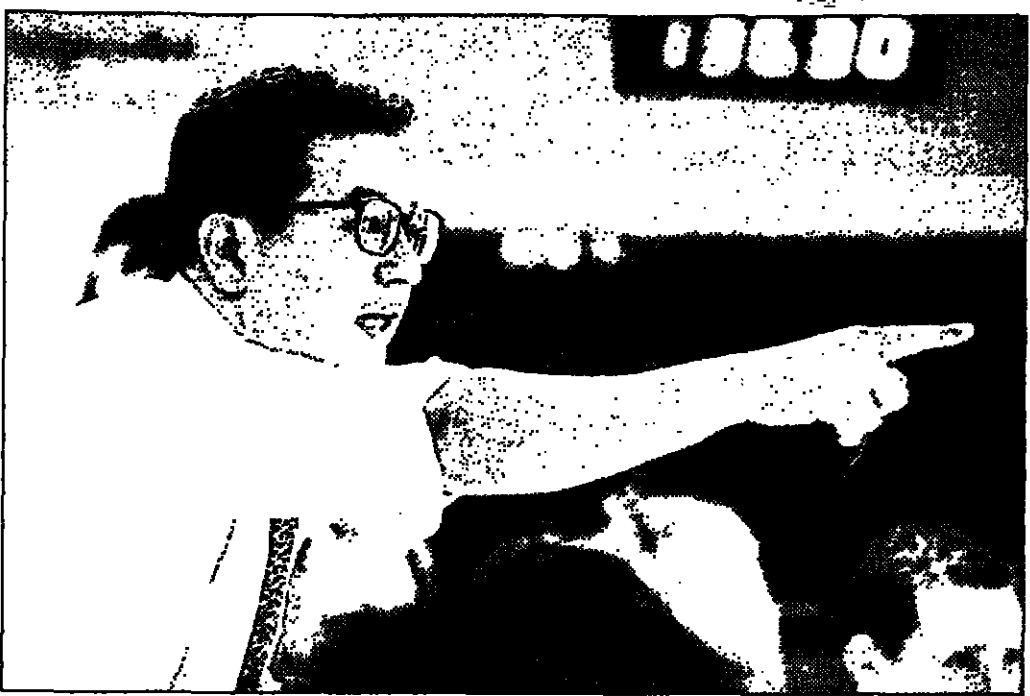
With the end of the Cold War, those students increasingly are pursuing business-oriented goals. "In the '70s and '80s, lots of people came to our schools because they wanted to promote peace rather than war," Mr. Goodman said. Now, he added, many come out of a desire "to engage productively in international economic matters."

The same pragmatism is reflected in those who study abroad. In the decade to 1995/96, the number of American students who studied abroad for credit rose from 48,483 to 89,242. A growing proportion of those students, though still a minority, are in business or science courses.

Even at the Peace Corps, long considered a haven of idealism, pragmatism plays a growing part. The number of inquiries about joining the overseas service program has risen steadily for years, said Brendan Daly, a spokesman. From 100,000 inquiries in fiscal year 1994, the first year for which he had figures, the total rose to 150,000 in fiscal 1997, Mr. Daly said.

"There is an increased interest in service," he said, but that is only part of the picture. "People understand that it is a global world, and even by helping people, you can,

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Market Optimism Sweeps Across Asia

Hashimoto Keeps Hold On the Voters

By Nicholas D. Kristof  
New York Times Service

TOKYO — In a few weeks, Prime Minister Ryutaro Hashimoto will face nationwide elections as he presides over the worst recession in more than half a century, a limp stock market and the highest unemployment rate since records began to be kept.

Yet his governing Liberal Democratic Party is overwhelmingly expected to do well. The latest polls show it with more than five times as much support as any other political party in Japan.

Now Mr. Hashimoto is likely to do better than ever, for President Bill Clinton handed him a political gift Wednesday by agreeing to an American-Japanese campaign to bolster the sagging yen. Whether the jawboning and billions of dollars in foreign exchange intervention succeed in propping up the yen, they will almost certainly succeed in propping up Mr. Hashimoto.

Japan Leader Vows Action to Cure Economy

By Sandra Sugawara  
Washington Post Service

TOKYO — Elated Asian stock and currency markets surged Thursday after coordinated U.S. and Japanese intervention bolstered the ailing yen, but analysts warned that the euphoria would be short-lived if Japan did not move quickly to enact dramatic reforms to boost the economy.

"The ball is in Japan's court, and it's now up to them to deliver," said Kathy Matsui, a market strategist with Goldman Sachs.

At a news conference, Prime Minister Ryutaro Hashimoto appeared elated at the success of the foreign currency intervention. The yen held steady in Tokyo, trading at 136.90 to the dollar late Thursday. Earlier this week, the yen hit an eight-year low of 146.78 to the dollar.

Mr. Hashimoto said the yen-buying intervention "won high marks from the market," and pledged to maintain market confidence.

"To spark a rebound of the stalled economy, I will do my best to help write off bad loans, achieve growth driven by domestic demand, open Japanese markets further and promote deregulation," Mr. Hashimoto said. But he provided few new details.

Several analysts warned that Mr. Hashimoto must produce bold actions to prevent the yen from tumbling back down. "If the market continues to anticipate that Hashimoto is serious about implementing changes, it could continue to rally a while longer," said Craig Chudler, Tokyo market strategist for Salomon Smith Barney. "But Mr. Hashimoto has made pledges before and hasn't come through. If Japan fails to deliver something, there will be a huge price to be paid."

Some analysts were "cautiously optimistic" because of the emergency visit of Lawrence Summers, U.S. deputy Treasury secretary, who arrived here Thursday evening for meetings with Japanese officials. On Friday, Mr. Summers and the president of the Federal Reserve Bank of New York, William McDonough, are to meet the Bank of Japan's governor, Masaru Hayami. Mr. Summers is then to meet with Finance Minister Hikaru Matsunaga. He will also attend a meeting of the deputy finance ministers of the Group of Seven industrial nations on Saturday.

Others speculated that the U.S. intervention was triggered by fears that the yen's rapid fall would cause China to devalue its currency, threatening to destabilize global currencies. They believe the United States is still trying to convince Japan that without new reforms, the yen will slide back.

Either way, the surprise intervention caused foreign stock investors, at least temporarily, to back off of their "worst-case scenario" strategy for Japan.

NEWS ANALYSIS

The premise of Mr. Clinton's decision to come to Mr. Hashimoto's aid was that Japan would take, as Mr. Clinton put it, "aggressive" and "bold" new steps that would justify a higher rate for the yen. But many analysts here say that the Japanese political process militates against fundamental change and that Mr. Hashimoto's relative popularity suggests that the Japanese public wants someone like him: a repairman for the old system rather than an architect for a new one.

"Fundamentally it comes down to the fact that people in Japan generally don't think that things are so bad that they need to have fundamental change," said Glenn Fukushima, the president of the American Chamber of Commerce in Japan. "They realize that there are difficulties, that they need to handle them and they are prepared to make certain changes. But change will often result in disruption of the current system, and I think that is something that people want to avoid as much as possible."

All this raises some puzzling questions about the Japanese political process. In most countries there is a built-in corrective mechanism when an economy veers off course: Disgruntled voters elect the old team and choose new leaders who promise to do things differently. Yet despite eight years of economic stagnation, the Japanese political system has not responded in that way.

One common explanation is that Japan has established an elaborate series of safety nets, so that even in a recession no one feels deeply distressed. Ronald Morse, a professor of economics and business administration at Reitaku University near Tokyo, calls Japan "an airbag society" because people are so protected from the impact of recession.



U.S. Trade Gap at Record as Asia Crisis Slows Exports

The U.S. trade deficit soared to a record \$14.5 billion in April, the Commerce Department reported Thursday, as the Asian financial crisis battered American exporters, pushing down sales of everything from commercial aircraft to farm products. But the trade deficit with Japan narrowed as that country's stagnant economy produced a drop in both exports and imports. Page 17.

The Dollar			
New York	Thursday 4 P.M.	previous close	
DM	1.7945	1.787	
Yen	137.835	136.95	
FF	6.0175	5.992	
Pound	1.672	1.669	
Dollars per pound			
The Dow			
Thursday close	percent change		
-16.45	8,813.01	-0.19%	
S&P 500			
-0.18	1,108.37	-0.02%	
Nasdaq			
-3.70	1,772.70	-0.21%	

Clinton Offers 'Genuine Reconciliation' to Iran

By Brian Knowlton  
International Herald Tribune

WASHINGTON — In a dramatic gesture toward a bitter foe, President Bill Clinton said Thursday that the United States was seeking "a genuine reconciliation" with Iran, which he said was "changing in a positive way" under the reformist influence of President Mohammed Khatami.

Mr. Clinton's comments, together with a major policy speech on Iran a day earlier by Secretary of State Madeleine Albright, constituted the strongest signal yet that the United States is ready to move, if cautiously, toward ending two decades of rancor and suspicion with a key regional power.

Such a reconciliation would dramatically alter the political and economic face of the Middle East and

Central Asia. "What we want," Mr. Clinton said, "is a genuine reconciliation with Iran based on mutual respect and reciprocity and a sense the Iranians are prepared to move away from support of terrorism and distribution of dangerous weapons," as well as ending Tehran's opposition to the Middle East peace process.

In a striking sign of how far the United States was prepared to see the relationship evolve, Mrs. Albright, in her speech, suggested that Iran could be included in "multilateral efforts to protect international security."

If such cooperation should come to pass, it would be "a real breakthrough," said Andrew Hess, professor of diplomacy and academic dean at the Fletcher School of Law and Diplomacy at Tufts University in Massachusetts. "It's very, very difficult to think of establishing a security regime in this very important area of the world

without the presence of Iran." Iran's immediate reaction to the U.S. overtures was skeptical.

Foreign Minister Kamal Kharazi, speaking during a visit to Madrid, said that the United States must end its "hostile policies" toward Iran before any normalization could occur.

An Iranian radio broadcast was more specific, calling for the United States to end support for opponents of the Iran regime based in Iraq, to free Iranian assets frozen two decades ago and to "apologize to the Iranian nation for its wrong policies in the past 50 years."

It appeared that those comments were at least partly rhetorical and did not necessarily represent a bottom line for negotiations.

Mr. Hess of the Fletcher School said that he knew

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Clinton Names Holbrooke As New Envoy to the UN

By John F. Harris  
Washington Post Service

WASHINGTON — President Bill Clinton nominated Bill Richardson to be energy secretary on Thursday and said he would be replaced as ambassador to the United Nations by Richard Holbrooke, chief negotiator of the 1995 Bosnian peace settlement and one of the United States' most aggressive diplomats.

Mr. Clinton, making the announcements in a Rose Garden ceremony, said Mr. Holbrooke would bring broad experience to the job.

Speaking of Mr. Richardson, the president said that global warming would be a high priority for his new energy secretary.

"I believe that this challenge will

require the greatest energy from our labs, from our scientists and technology, from an Energy Department that can work clearly with the private sector on what plainly will be one of America's most important priorities for years and years to come," Mr. Clinton said.

Although Mr. Richardson's move to the Energy Department had been decided for weeks, according to several administration officials, Mr. Holbrooke's recruitment back into the administration came only after extensive discussions at senior levels over whether the strong-willed Mr. Holbrooke could work effectively with other members of the administration's foreign policy team.

Mr. Clinton's willingness to take a chance on Mr. Holbrooke adds a dynamic, if somewhat unpredictable, element to U.S. foreign policy.

Mr. Holbrooke, 57, was a diplomatic prodigy when he served as assistant secretary of state for Asian affairs in the Carter administration in the late 1970s and enjoys a reputation as a bold strategist and risk-taker.

At a time when a new wave of ethnic violence is under way in the Serbian province of Kosovo, he also will be the administration's most experienced hand at dealing with the treacherous diplomacy of the Balkans.

After months of shuttling between European capitals, and three weeks



David Trezeguet of France scoring Thursday in Paris against Mohammed Jahani of Saudi Arabia.

In Victory, France Loses Star Playmaker for Next Match

PARIS — France beat Saudi Arabia, 4-0, to qualify for the second round, but their star playmaker, Zinedine Zidane, was ejected and will miss at least one match.

Thierry Henry scored twice, and David Trezeguet and Bixente Lizarazu got the other goals as both sides finished the Group C match with 10 men.

The referee, Arturo Brizo Carter of Mexico, sent off Mohammed Khilaifi of Saudi Arabia for a late tackle on Lizarazu when the score was still 0-0. With a numerical

advantage, France, which beat South Africa 3-0 in their first match, made it 2-0. Then Zidane was ejected for stomping on the Saudi captain, Fuad Amin, in the second half.

In Toulouse, Denmark survived a card-strewn battle with South Africa to get a 1-1 draw, moving it within sight of the second round of the World Cup.

John Jairo Toro, the Colombian referee, ejected two Danish players and a South African. Seven yellow cards were also issued. Page 25.

AGENDA

U.S. Spells Out Its Sanctions Against India and Pakistan

WASHINGTON (Reuters) — The United States said Thursday that economic sanctions against India and Pakistan over their nuclear testing last month would apply to lending by private banks to the two governments, some credits and guarantees, and military sales.

At a news conference to give details of the sanctions, the administration said that the sanctions would prohibit American banks from extending loans or credits to the governments of India and Pakistan and that more details would be provided soon. Bank lending to the private sector would not be affected. It also said that it would support efforts in Congress to exempt agricultural credits from the sanctions.

The United States has terminated certain military sales and revoked licenses on some commercial sales of munitions to Islamabad and New Delhi.

New Delhi calls U.S. policy hypocritical. Page 10

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In a Conversion, 2 Key Leftists In Europe Hail U.S. Economics

By John Vinocur  
International Herald Tribune

PARIS — Two of Europe's leftist leaders acknowledged this week that American economic and employment policy provides more of the right answers than they were comfortable saying before.

Prime Minister Lionel Jospin of France said that he had changed his view of the United States. And Oskar Lafontaine, chairman of Germany's Social Democratic Party, held up America to a startled audience as a model of successful macro-economic thinking.

In each case, the praise came from men whose political culture has often found greater sustenance in America's supposed harshness than in its successes.

The comments from both politicians seemed to reflect genuine recognition of American economic accomplishments, and the possibility of greater flexibility in their economic positions. On a political level, they suggested that dismissive attitudes toward the American approach to jobs and money — often labeled winner-take-all economics in Socialist precincts in France and Ger-

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Newsstand Prices	
Andorra	10.00 FF Lebanon
Antilles	12.50 FF Morocco
Cameroon	1.600 CFA Qatar
Egypt	2E 5.50 Reunion
France	10.00 FF Saudi Arabia
Gabon	1.100 CFA Senegal
Italy	2.800 Lire Spain
Ivory Coast	1.250 CFA Tunisia
Jordan	1.250 JD U.A.E.
Kuwait	700 Fils U.S. M. (Eur.)

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## ***Robert Rubin: To Know the Trader Is to Know the Man***

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THE AMERICAS

# A Key to AIDS Virus's Defenses

Studies of a Protein Show It Protects HIV From the Immune System

By Thomas H. Maugh 2d  
Los Angeles Times Service

LOS ANGELES — After more than 15 years of effort, researchers have finally been able to puzzle out the three-dimensional structure of a key protein on the surface of the AIDS virus, a feat that provides the first good explanation why an infected person's immune system is unable to fight off the virus and why attempts to produce AIDS vaccines have been unsuccessful.

In particular, the studies show that the site targeted by most vaccines — including the VaxGen AIDS vaccine approved for large-scale testing only two weeks ago — is shielded by a structure very similar to the movable roofs on many athletic stadiums.

While the virus circulates through the blood, it is protected from the immune system by the shield. But when the virus is ready to enter white blood cells, the shield rolls back, allowing the virus to penetrate the cell.

The structural studies were reported in articles in the journal *Nature* on Thursday and in *Science* on Friday. They show that the protein on the surface of the AIDS virus has other defenses as well, making HIV a "viral Houdini" that cannot be kept bottled up by the immune system, said Dr. Joseph Sodroski of the Dana-Farber Cancer Institute in Boston, one of the authors.

But the studies also suggest that there may be ways to circumvent those defenses with either vaccines or drugs. "This is a major step forward," said David Baltimore, a molecular biologist who is president of the California Institute of Technology and head of the federal government's advisory panel on AIDS vaccines.

He said the findings give an idea why the VaxGen vaccine is "unlikely to give us the kind of antibodies we need to protect people" and points to ap-

proaches that might be more successful.

"We now have specific target sites on which to focus in developing new drugs and vaccines," said Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases.

The protein in question is called gp120. Its function is much like the front-door key of a house. Dangling from the surface of HIV, gp120 must slip into a cavity on another protein on the surface of a white blood cell, called CD4, to trigger the ultimately deadly infection process.

Many of the potential AIDS vaccines that immunologists are now studying, including the VaxGen product, are made from gp120 molecules produced by genetic engineering techniques in bacteria.

Scientists had hoped that vaccinating people with gp120 would stimulate the immune system to recognize it and prevent it from binding to CD4. But that approach has not been very successful, and the new pictures of the molecule show why.

Researchers use a process called X-ray crystallography to determine the precise position of every atom in the molecule. As the technique's name implies, however, the scientists must have the molecule in a crystalline form not unlike the salt or sugar crystals on your kitchen table.

That has been the problem with gp120. Other proteins have a rigid structure, so it is relatively easy to induce them to condense into regular crystalline arrays. But gp120 has many long, flexible sugar molecules on its surface that interfere with this stacking. Getting the molecules to line up in a regular manner is rather like trying to construct a neat cube with beanbag chairs.

To get around the problem, Dr. Sodroski and his colleagues snipped off sections of the gp120 that they did not

think were important to its function. Crystallographers at Columbia University were then able to bind the remaining core of the molecule with CD4 and crystallize the complex to determine its structure.

"It's a technological tour de force," said Dani Bolognesi, an AIDS researcher at the Duke University Medical Center.

Studying the X-ray structure quickly showed several ways in which the virus evades detection. The portion of gp120 that actually binds to CD4 is protected from immune attack by dome-like loops of protein. When the protein is ready to bind, the loops collapse out of the way.

This receptor also has what the researchers call an "icing" of carbohydrate molecules that further protect it from antibodies. An effective attack on HIV might require some technique to remove this icing, they said.

Another large portion of gp120 has no characteristics that would allow the immune system to recognize and attack it, making it what the researchers term a "silent face." "We didn't realize before that there are whole regions that the immune system never sees," Dr. Sodroski said.

The structure also reveals some potential targets for attack. In particular, the large cavity at the interface of gp120 and CD4 "is a drug designer's dream," said Peter Kwong, one of the crystallographers at Columbia. He said a drug could fill the cavity, and block the binding in the same way that a broken key in a lock prevents an intact key from entering.

Scientists cautioned that new drugs and vaccines against AIDS will not come overnight. In the longer term, however, they are confident that further study of the molecule will produce a new battle plan against the disease and a variety of new weapons to use in that war.

## Reno Assails Judge Over Secret Service

WASHINGTON — A federal judge improperly disregarded testimony about the dangers to future presidents when she ordered Secret Service officers to disclose what they saw and heard while guarding President Bill Clinton, Attorney General Janet Reno has argued in legal papers.

In asking the U.S. Court of Appeals to overrule Judge Norma Holloway Johnson of U.S. District Court, the Justice Department argued in papers unsealed Wednesday that she had no basis to dismiss the warnings issued by former President George Bush and the last three Secret Service directors.

All four argued in statements filed with Judge Johnson that breaking the traditional Secret Service code of silence would prompt presidents to push guards away to shield their privacy, increasing the risk of assassination. The independent counsel, Kenneth Starr, said that no "protective function privilege" had ever been recognized by any court or Congress. In agreeing, Judge Johnson wrote that she doubted law-abiding presidents would put themselves in danger.

Mr. Starr wants two Secret Service officers to testify before a grand jury about Mr. Clinton's alleged relationship with former White House intern, Monica Lewinsky. (WP)

## A Fund-Raising Duo

WASHINGTON — Even before the invitations were printed, the people planning the fund-raiser for Governor George W. Bush of Texas here on Thursday had to switch to Plan B.

The idea had been for an intimate dinner at the home of Joseph Gildenhorn, who served as ambassador to



ON THE HILL — Prime Minister Lionel Jospin of France, left, meeting Thursday with Speaker Newt Gingrich at the Capitol. The French visitor later saw President Bill Clinton at the White House.

Switzerland during the Bush administration. But the Gildenhorns could accommodate only 80 — and the demand from those who wanted to write checks for \$5,000 a person was overwhelming. The venue was changed to the Four Seasons Hotel in Georgetown.

George Bush and his brother, Jeb — who is making his second run at the Florida governorship — have hit the fund-raising circuit in a big way. With the invaluable asset of the outsized political Rolodex passed on from their father, their own networks in two key states, and George Bush's possible presidential prospects, the Bush brothers — who are both favored to win in November — are a formidable fund-raising duo.

"Apples don't fall far from the tree," said Mel Sembler, finance chair-

## Quote/Unquote

The House speaker, Newt Gingrich, Republican of Georgia, vowing to double science funding over eight years, which would amount to a dramatic shift in federal spending over the next decade: "Investing in our future ought to be our second-highest priority after winning the war on drugs, and we should shape our appropriations bills accordingly." (WP)

# Taking a Gamble on Tobacco

Killing Bill, Republicans Bank on Public Shift

By Alison Mitchell  
New York Times Service

WASHINGTON — It was a day of high risks on the volatile issue of tobacco.

In killing anti-smoking legislation Wednesday night, Senate Republicans took a leap of faith, trusting that the tobacco industry's \$40 million advertising campaign has so changed public sentiment on the issue that there would be no election-year ramifications from their vote.

The tobacco industry took a huge gamble as well — that the cascade of lawsuits it hoped to curb with the original settlement a year ago will not bankrupt it. Those risks may be worse now than they were then. Today, cases brought by individuals can be buttressed by hundreds of damaging industry documents recently disclosed as part of the settlement process in lawsuits brought by states.

The bill, which had been debated on the Senate floor for a month, was set aside when supporters, mostly Democrats, could not get the 60 votes needed to clear two procedural hurdles.

Democrats promised to bring the matter up again at every opportunity this year, but they conceded that they had little chance of success.

"It may be that the final vote on this bill occurs on election day," said Senator Edward Kennedy, Democrat of Massachusetts.

Democrats vowed to paint the Republicans as the tools of Big Tobacco in the fall campaigns. That debate might again change the public mood on tobacco and could cost the Republicans seats in the Senate, where they can spare a few losses and still retain control, and the House, where they have no room to spare.

President Bill Clinton himself provided a preview of the campaign themes when he made a final appeal to the Senate to "protect the children and not the tobacco lobby." Asked after the Senate killed the legislation whether there would be a political price to pay, he said, "I certainly hope there will be and there should be."

But Senator Phil Gramm, Republican of Texas, who had been one of the measure's fiercest opponents, insisted that "the bottom line is the bill never had any real support from the American people." And Senator John McCain, Republican of Arizona, who drafted the bill, acknowledged that more and more Republicans had come to believe that the anti-tobacco issue does not have the broad public support they once feared.

He even said that some of the members of the Committee on Commerce, Science and

Transportation who had sent the measure to the Senate floor on an overwhelming 19-1 vote now opposed the legislation.

It was a turnaround in sentiment reminiscent of Mr. Clinton's defeat in his effort to pass comprehensive health care legislation in 1994. And like the industry battle against health care, it was partly brought about by a television ad campaign that portrayed the legislation as a massive tax increase to pay for Big Government. "When people call in, they parrot the ads," Mr. McCain said.

Just a year ago the mood was quite different. The prospect of a comprehensive tobacco settlement seemed something historic that would change forever the ways cigarettes are marketed in the United States and alter the nation's public health and regulatory landscape.

In a deal hammered out by the tobacco industry and state attorneys general, the tobacco industry would pay states \$368.5 billion over 25 years for anti-smoking programs and to compensate for the costs of treating smoking-related illnesses. In return the companies would have received protection from a wave of court cases against them.

But that pact turned out to have a Perils of Pauline existence — in large part because of the impression that after decades of political dominance, Big Tobacco was on the ropes.

By last fall anti-smoking advocates such as Dr. David Kessler, the former commissioner of food and drugs, and Dr. C. Everett Koop, the former surgeon general, had seized the public stage to push for even tougher legislation.

And so after a marathon series of meetings and negotiations, Mr. McCain and the Commerce Committee produced a measure tougher on tobacco than the original settlement had been. It would cost the companies \$516 billion over 25 years, increase penalties if teenage smoking did not drop and provide fewer legal protections than the industry wanted.

At that point tobacco walked out and vowed to fight the legislation. Some predicted the defiance would boomerang and hurt the industry further.

But the industry went on the attack, with heavy advertising. As Mr. Clinton, mindful of his experience on health care, said, "Those of us in politics know that unanswered ads can sometimes be fatal." And as the ads ran across eight weeks, Republicans began sounding the same themes.

The House speaker, Newt Gingrich, branded it a "very liberal, big-government" measure. Senator Trent Lott, the majority leader, called it a "big spending bill" even as he let Senate debate play out.

## Away From Politics

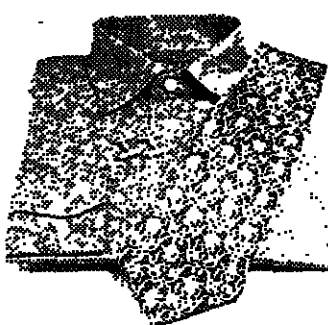
• New York's sidewalk vendors, who had faced banishment from many of their most lucrative corners, won a reprieve. The city panel that determines where vending is allowed voted to rescind the 144-block ban on vending that was to take effect next month. (NYT)

• A Tower Air 747 waiting to take off for Paris from Kennedy Airport in New York had to return to the gate after a passenger became unruly. The 29-year-old French citizen was removed from the plane and could be charged with interfering with a flight crew. (AP)

• The American Medical Association voted to install Dr. Thomas Reardon, a general practitioner from Oregon, as its president-elect. (WP)

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## INTERNATIONAL

## Standing Up for Chinese Women

Former Follower of Mao Now in the Vanguard of Female Activism

By Steven Mufson  
Washington Post Service

QIANXI, China — Two photographs of Xie Lihua, snapped nearly three decades apart, capture how oddly similar yet strikingly different this 46-year-old Chinese woman is today compared with the teenager she once was.

The first, circa 1972, shows Miss Xie filled with the fervor of the Great Proletarian Cultural Revolution — beaming and fresh-faced in her Mao cap — as an army recruit throwing herself into the noble task of feeding hogs.

The second, taken here two months ago, also shows her with hogs. She still wears her enthusiastic smile. But now she is clad in a stylish two-piece black pantsuit, and instead of doling out feed to hogs, she's doling out small loans to rural women and giving them advice on investments, like buying swine.

Once the head of her secondary school Red Guard committee, Xie Lihua has been transformed into a crusading journalist, magazine editor, small-time banker and activist for the cause of downtrodden women in China. Still possessed by a missionary zeal, she has given up class struggle and thrown herself into "microcredit" lending schemes, muckraking journalism and the promotion of information for Rural Women, the profitable, fast-growing magazine she founded.

"I've always been a good organizer," Miss Xie said. One admiring acquaintance said, "She's got the form of a Communist revolutionary of the 1960s with the substance of very current issues of the 1990s."

Miss Xie is an example of a new kind of activist in China, neither Communist ideologue nor dissident but someone who is at once within the system and at odds with it. Still brimming with the type of hard-edged enthusiasm that must have once made her a frightening adversary in the Red Guards, she has taken up the cause of women who have been neglected by the urban elites who run the national Women's Federation. Miss Xie's magazine has become an important outlet for rural women, as well as a successful business venture.

Miss Xie has taken on some of China's women's worst — and, until recently, least discussed — problems. She is conducting a study on suicide among rural women, who kill themselves at rates that surpass almost any other group of people on Earth. She has highlighted the problems of domestic abuse of wives and runs a women's hot line in Beijing. Qianxi is one of five villages where she is running a microcredit program. She also runs an advice service for women who have been laid off, a growing problem.

Perhaps most unusual here in China, Miss Xie has taken up the cause of the *waidi*, literally "outsiders." These rural migrants come to cities in search of work. They are almost universally despised by city residents and blamed for crime and other ills. Miss Xie has started a support group for migrant women in Beijing to meet, learn new skills and find jobs in hospitals that need laborers.

Although she is often at odds with the

government, Miss Xie has been able to influence the government agenda. There is no civil society in China as people know it in America or Europe. There are no independent, nongovernmental organizations other than private businesses. Every group must find a Communist-controlled umbrella group. But by finding a niche tolerated within the national women's organization and becoming financially self-sufficient, Miss Xie has grabbed attention for many of her causes. What was once a fringe obsession of one woman is becoming part of the official agenda.

"Like a lot of people in their late 30s and 40s who try to do something innovative, they cannot persuade someone else to do it so they do it themselves," said a Western foundation representative familiar with Miss Xie's work. "If it means they have to go around corners, without doing anything illegal, they figure it out. And they can become incredibly powerful units of advocacy."

The roots of that sort of determination lie in the Cultural Revolution, which broke out when Miss Xie and her contemporaries were schoolchildren. Millions of young Chinese never recovered emotionally or educationally from that decade-long upheaval. But those who did possess a sense of purpose and resourcefulness that is unusual in China.

"This generation is a special generation," Miss Xie said of herself and her contemporaries, who are now hitting the peaks of their careers. "We have a mission in our lives to fulfill our own values and also to do something to contribute to society."

Miss Xie was only 14 when the Cultural Revolution broke out, a crucial time for most girls to be learning about themselves, boys and school textbooks. Miss Xie became the leader of the Red Guards at one of Beijing's elite secondary schools. Only one book mattered — the Little Red Book of quotations from Chairman Mao.

Miss Xie concedes that she did nothing — could do nothing — to stop the excesses of the campaigns to root out

"capitalist roaders" and people with bad class backgrounds.

In 1969, she joined the army and went to the southwestern province of Yunnan. She spent 14 years in the army. Again, she excelled, this time becoming the head of her unit.

Miss Xie finally returned to school in 1984, attending university part time while working at the Women's Daily in Beijing. She graduated in 1987.

While at the newspaper, Miss Xie made her mark with an expose about a Henan woman who was fired in a dispute over \$483 in unpaid wages. Her appeals to local officials, who were close to the

company manager, went unheeded. Miss Xie's article prompted an effort by the Henan company to get her demoted, and articles in the local papers defended the company manager. But Beijing stepped in to discipline five local officials and restore the woman to her job.

After that, a steady stream of mail to Miss Xie about abuse of women became a flood. One of Miss Xie's specialties became shattering myths about model women and families. One example held up at a conference she attended was about a woman who was married for eight years to a man paralyzed from the waist down. They were called a model family. Miss Xie visited and found the woman miserable and longing for children.

"Maybe there are such people and women who choose lives like this, but I don't think they should be held up as models," Miss Xie said.

Is Miss Xie a role model for modern Chinese women? Although concerned about the plight of poor women, she is not poor. She lives in a comfortable apartment with her husband, teenage daughter and cat. The apartment is equipped with modern TV, video and audio systems, and finished wood floors.

Her work and connections with overseas women's groups and foundations have made her well traveled. Because her work often takes her away from home, her success has been an issue in her marriage. Although an advocate for women's advancement, she once turned down an offer to become deputy mayor of one of China's cities. In an emotional interview for a television documentary a couple of years ago, Miss Xie bemoaned the unhappy state of her marriage.

"In the past, my husband has often wished for a normal family life," she says now. "But he gave up and lets me do my work. His friends and colleagues feel pity for him and ask him whether he feels miserable. But he depends on me."

"But it is time to test the possibilities for bridging this gap."

She spoke at length about the evolution of U.S.-Iranian relations in her speech Wednesday to The Asia Society in New York, and called for confidence-building measures to strengthen bilateral ties.

She credited Iran with taking part in efforts to bring peace to Afghanistan and with trying to improve relations with Saudi Arabia.

Mrs. Albright noted that Mr. Khatami had publicly renounced terrorism.

"If these views are translated into a rejection of terrorism as a tool of Iranian statecraft," she added, "it would do much to dispel the concerns of the international community from Germany to the Persian Gulf, and from Argentina to Algeria."

She also credited to an improved record in the war against drugs and for its treatment of more than 2 million Iraqi and Afghan refugees.

"Obviously," she continued, "two decades of mistrust cannot be erased overnight. The gap between us remains wide."

"But it is time to test the possibilities for bridging this gap."

For more information, contact Mr. Khatami at the U.S. State Department, Room 6800, Washington, D.C. 20520. Tel: (202) 696-6000. Fax: (202) 696-6001.

## IRAN: Clinton Proffers 'a Genuine Reconciliation' to Leadership

Continued from Page 1

Mr. Kharazmi personally and that the foreign minister strongly supported Mr. Khatami's overtures toward the United States.

Mr. Kharazmi said that Mrs. Albright's statement showed that "Americans are coming to some new understandings."

But he added that U.S. opposition to the building of a Caspian oil pipeline in Iranian territory was a sign of American hostility toward Iran.

Neither Mr. Clinton nor Mrs. Albright offered any concrete actions or made any specific demands on Iran, and it was unclear what steps either side might take next.

The relationship has been evolving slowly since January, bringing frustrated charges from some Iranian officials that the United States, by responding tepidly to an opening by Mr. Khatami, was strengthening the position of his hard-line critics in Iran.

Clinton administration officials have said in turn that they feared moving too

fast could harm Mr. Khatami's faction as he wages a power struggle against religious militants.

While Mr. Khatami has promoted cultural exchanges, the United States has relaxed its travel restrictions on Iranian diplomats and eased entry barriers to visiting Iranians. It also announced last month that it would not impose sanctions on three big foreign energy companies that want to develop a natural gas field in Iran.

Mr. Clinton's comments came five months after Mr. Khatami's overture, apologizing indirectly for the "burn" caused to the American people after Islamic militants overthrew the Shah of Iran, a U.S. ally, in 1979 and seized Americans at the embassy in Tehran.

In an interview with CNN in January, Mr. Khatami said that the U.S. government "deserves respect" as a reflection of the "great American people."

Mirroring his comment in her speech Wednesday, Mrs. Albright said that Mr. Khatami "deserves respect because he is the choice of the Iranian people."



Xie Lihua, with glasses, discussing a microcredit program in Qianxi.

## BRIEFLY

## Iraq Still Stalling, UN Official Says

UNITED NATIONS, New York — Iraq has refused to include some priority issues in a new two-month work program with UN weapons inspectors, the chief UN arms inspector for Iraq said Thursday.

In a written report to the Security Council on a just-completed trip to Baghdad, Richard Butler, the arms inspector for Iraq, said, "These included the extent of the VX (nerve gas) production, the accounting for proscribed missile propellants, and the clarification of the concealment actions and policies by Iraq."

Mr. Butler said the UN team did not accept Iraq's contention regarding propellants for Scud-type missile and verification of VX issues and would continue its investigation of those matters, in parallel with the agreed work program. (Reuters)

## Shelling Resumes In Guinea-Bissau

DAKAR, Senegal — Fresh shelling erupted Thursday in Guinea-Bissau as a Gambian mediator pushed for a meeting with rebel leaders to discuss a truce in the West African country.

The International Committee of the Red Cross and Portuguese radio both reported a resumption of shelling in the capital, Bissau, ending a lull in fighting between army rebels and Senegalese-backed forces loyal to the president.

Portugal's envoy to Bissau, Francisco Henriques da Silva, said Foreign Minister Mamadou Lamin Sedat Jobe of Gambia was expected to meet the rebel leader, Brigadier General Ansumane Mane, on Thursday.

President Joao Bernardo Vieira of Guinea-Bissau told the French newspaper *Le Figaro* that he might be willing to talk to the rebels, but that they had to lay down their arms first. (Reuters)

## For the Record

A commuter plane billowing smoke crashed Thursday at Mirabel Airport near Montreal, killing all 11 people aboard, airport authorities said. (AP)



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**BRIEFLY**

**Iraq Still Stalling  
UN Official Says**

UNITED NATIONS, New York — Iraq has refused to include its disarmament program in a new two-year mandate, the chief UN weapons inspector for Iraq said Thursday. He said in a report to the Security Council that Iraq has not accepted a just-completed report for Iraq, said. The report included the extent of the VX gas production, the accounting of the chemical and biological weapons, and policies by Iraq. He said the UN must accept Iraq's contention that the program is for scientific research and verification of VX gas. He said the UN must continue its investigation in parallel with the disarmament program.

**Shelling Resumes  
In Guinea-Bissau**

DAKAR, Senegal — Fighting erupted Thursday in Guinea-Bissau as a rebellion against the government resumed. Rebels sought to discuss a ceasefire with the government. The International Committee of the Red Cross and Portuguese troops reported a resumption of fighting in the capital, Bissau, and in the north. Senegalese-led forces loyal to the president, Carlos Gomes da Silva, said they had defeated the rebels. Mamedou Lourenco, leader of the rebels, said they were still in the north. He said they were still in the north.

**For the Record**

A commercial plane following a flight from Montreal to Paris was shot down by a missile on Thursday.



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## ASIA/PACIFIC

# Malaysian Insider Attacks Nepotism

Compiled in Our Staff From Dispatches

**KUALA LUMPUR** — Ahmad Zahid Hamidi, head of the youth wing of the United Malays National Organization, defied the party's establishment Thursday with an attack on what he called the debilitating impact of corruption on the party.

"Nepotism will bring Malaysia to its knees," Mr. Zahid said. If nepotism and cronyism continue, he said, the party's "effectiveness and leadership will no longer provide the people confidence."

His criticism at the opening of the annual meeting of the country's main political party came after Prime Minister Mahathir bin Mohamad told party leaders in a closed-door briefing that they must be careful not to split the party by making unsubstantiated claims.

Mr. Zahid vowed recently to discuss corruption, cronyism and nepotism at the convention, provoking criticism from party elders who consider the campaign a thinly disguised attempt to undermine Mr. Mahathir, who has been in power since 1981.

Mr. Zahid's remarks Thursday were greeted with loud applause from hundreds of the party's youth members.

"I wish to clarify that the meaning of nepotism and cronyism is that it's a practice that favors family, creed and close associates, which has now gone beyond the norms of race and religion," Mr. Zahid said. "This practice, we must wipe out."

Mr. Mahathir, the party president, is scheduled to deliver a two-hour address to the general assembly Friday. Nearly 2,000 delegates from around the country have gathered for the four-day convention of the party,

which has about 2.7 million members.

Deputy Prime Minister Anwar Ibrahim, who is often at odds with Mr. Mahathir over the proper path to economic recovery, rallied behind the prime minister in a speech to the convention Thursday.

The party "must unite as one front under our leadership headed by our prime minister," said Mr. Anwar, in a ringing endorsement of Mr. Mahathir.

He called on the party delegates to ignore foreign media reports noting wide leadership differences between him and Mr. Mahathir.

Mr. Mahathir said to reporters on Wednesday: "We see people saying things which they cannot prove, very general kind of accusations which have the effect of raising suspicion and yet not substantiated. This is very bad for the country."

But a fault line in the party appeared to deepen as Mr. Zahid, who is chairman of Bank Simpanan Nasional, cited another bank that he said recently extended loans without following proper banking rules.

He said the bank in question represented the interests of many party members.

Several members of the youth wing who spoke publicly after him praised Mr. Zahid.

"We salute his bravery in making the speech," said Zahari Kechik, a youth from northeastern Kelantan state. "We have to accept that this practice is happening, not only in the government and companies, but even around us."

But not everyone agreed with highlighting nepotism and cronyism at a time when the country is in economic

crisis. The head of the party's women wing, Zaharah Sulaiman, said: "You make people think this is the only thing that's happening to this country, and it is not true. It is not fair to just take this up and give it undue attention."

Some even questioned Mr. Zahid's



Two delegates posing before Mr. Mahathir's image.

own credibility in bringing up the issue. "We agree with what he says, but we think he should also declare his assets immediately so that no one will accuse him of just using rhetoric," Suhaimi Ibrahim, a youth leader from eastern Pahang state, said to reporters. (Reuters, AFP, AP)

# Beijing Is Firm on Missiles

## China Insists on Pact With U.S. on No First Use

Compiled in Our Staff From Dispatches

**BEIJING** — China and the United States should sign an agreement pledging no first use of nuclear weapons before they agree to re-target nuclear missiles away from each other, the Foreign Ministry said Thursday.

Asked whether China would sign an agreement on missile detargeting during a visit by President Bill Clinton next week, the Foreign Ministry spokesman, Zhu Bangzao, said, "We believe it is more important for China and the United States to first sign the no-first-use pact."

He reiterated that China's goal in developing nuclear weapons was self-defense and stressed that China had always undertaken not to use such weapons first.

The New York Times cited senior American officials Sunday as saying the United States and China were negotiating an agreement to no longer target each other with nuclear weapons. The negotiations were in preparation for Mr. Clinton's trip to China on June 25, the report said.

Earlier attempts to re-target the missiles failed because of China's insistence on the mutual pledge that neither side would resort to nuclear weapons first in a moment of crisis, according to the newspaper.

The United States refuses to make such a pledge because U.S. officials have long considered it meaningless and unverifiable.

China has 18 long-range missiles, while the United States has about 6,000 nuclear warheads.

Detargeted missiles can be quickly re-targeted. Nevertheless, the Pentagon spokesman, Kenneth Bacon, has said that a detargeting agreement would be "an important confidence-building measure" that would reduce the "hair-trigger aspect of the strategic nuclear arsenal."

Mr. Zhu of the Chinese Foreign Ministry said that as permanent members of the United Nations Security Council, China and the United States had a "common and major responsibility for maintaining international and regional development, security and stability."

Mr. Clinton's visit to China will "inject new vitality into the constructive strategic partnership between the two countries," Mr. Zhu said.

Beijing's hopes for Mr. Clinton's visit appear largely symbolic. China wants to showcase its growing role in international affairs and balance U.S. dominance as the world's

only remaining superpower. Failure to win a deal on missile detargeting could leave China and the United States with little in the way of new agreements to sign during Mr. Clinton's visit.

Last week, James Sasser, the U.S. ambassador to China, said he was not optimistic that the summit meeting would produce a declaration of U.S. backing for China's long-stalled entry into the World Trade Organization.

Washington wants China to open its markets further to foreign goods before it joins the rule-setting body for world trade. The U.S. trade representative, Charlene Barshefsky, was in Beijing on Thursday for discussions on the issue.

Allegations bedeviling the White House of possible transfers of sensitive satellite technology to China also appear to have reduced the likelihood of Mr. Clinton bowing to Chinese demands that Washington ease restrictions on high-technology sales to China.

On the sensitive issue of human rights, Mr. Zhu said Beijing was speeding up preparations to sign a UN treaty on protecting political and civil rights. He added, however, that he did not know if a review would be finished in time for approval during Mr. Clinton's visit.

By signing the International Covenant on Civil and Political Rights, Beijing would ease domestic pressure on Mr. Clinton to severely criticize China's human rights record during his trip.

On another issue, Mr. Zhu said that Tibet is an integral part of China and Beijing is not about to open talks with its spiritual leader, the Dalai Lama.

"The Dalai Lama is a political exile who engages in activities splitting the country and undermining national unity," Mr. Zhu said.

Responding to questions about pro-Tibetan demonstrations last weekend in Washington, Mr. Zhu laid out the conditions under which China is prepared to talk with the Dalai Lama.

The Dalai Lama must give up secessionist activities and recognize Beijing as the legitimate authority over Tibet, Mr. Zhu said.

The United States recognizes predominantly Buddhist Tibet as a part of Chinese territory, but urges Beijing to preserve its unique culture, language and religion.

The Dalai Lama has been living in India since he fled his homeland in 1959 after a failed anti-Chinese uprising. India is home to about 100,000 Tibetan exiles. (AFP, AP)

# U.S. Rethinks China Satellite Deal

By Jeff Gerth

New York Times Service

**WASHINGTON** — Faced with criticism of its satellite exports to China, the Clinton administration is rethinking whether to allow one of the biggest sales to date, a \$650 million deal that President Bill Clinton quietly approved two years ago.

Government officials said the Pentagon and State Department are raising new questions about whether a Chinese-controlled company with close ties to China's military should be allowed to buy the satellites, which contain sophisticated communications equipment.

The satellites are the cornerstone of a commercial mobile phone network planned for China and 21 other Asian nations. American officials said their design includes a powerful antenna that could eavesdrop on mobile phone calls in China or other countries in the region. It could also be used by the Chinese military to transmit messages through handheld phones to remote parts of China.

Antennas of these dimensions are a main-

stay of America's and Russia's eavesdropping satellites and have not previously been exported to China, though a sale to the United Arab Emirates is pending. They also can be used to extend the range of mobile phones used commercially.

Mr. Clinton leaves next week for China, and the administration had hoped to use the trip to showcase a variety of business deals and agreements, including enhanced cooperation on civilian satellite and rocket projects.

Mr. Clinton approved the Hughes project on June 23, 1996, after his advisers assured him that the communications satellite technology was readily available from European suppliers and would not contribute to Chinese military capabilities.

Donald O'Neal, a spokesman for Hughes, said the satellites are "inherently dual use," meaning that they have both civilian and military potential. "The satellite is not designed for military application," he said. "But I don't know how you can prevent it."

The federal government could still stop the deal.

## BRIEFLY

### 200 Bangladeshis Hurt During Strike Protest

**DHAKA, Bangladesh** — Clashes during a general strike called to protest a government peace accord with Buddhist insurgents injured at least 200 people in parts of Bangladesh on Thursday, police and news reports said.

The daylong strike called by the country's main opposition parties halted most traffic and shut stores, disrupting normal life in the capital, Dhaka, and other major cities of Chittagong, Khulna and Rajshahi. In Dhaka, supporters and opponents of the strike fought with bamboo trenches and homemade bombs — small tin pots filled with explosives.

Police fired tear gas shells to push back rioters. At least 100 people were injured and at least 160 protesters were detained in Dhaka, where nearly 3,000 protesters marched through the streets. More than 4,000 security officers guarded the government buildings and the city center.

No arrest was reported outside of Dhaka.

Nearly 2,000 former insurgents have surrendered arms as part of the December 1997 peace accord.

The strike was called by the Bangladesh Nationalist party of Khaleda Zia, the former prime minister, and its six rightist allies who say the peace accord gave too much to Chakma tribespeople at the expense of Muslim settlers from the north. (AP)

### Fairness of Election Doubled in Cambodia

**PHNOM PENH** — A U.S.-based human-rights group has recommended postponing Cambodia's national election, saying conditions are not conducive to holding free and fair polls on July 26.

"The primary obstacle is neither logistical nor technical, but rather the determination of the ruling Cambodian People's Party to control the electoral process and restrict basic freedoms," said Sidney Jones, executive director of the Asia division of Human Rights Watch.

Acknowledging that a delay in the polls is unlikely just six weeks before their scheduled date, the group urged other nations to

apply economic and diplomatic pressure to help ensure the elections are as fair and violence-free as possible.

The pressure should be applied to make sure the Phnom Penh government agrees to meet certain minimum standards in organizing the election, said a Human Rights Watch report. (AP)

### 10 Injured by Bombs In Karachi Violence

**KARACHI, Pakistan** — Two bombs exploded within 30 minutes of each other in Karachi on Thursday, injuring 10 people in the southern port city's third straight day of violence.

Gunmen, meanwhile, killed two people — a butcher working in his shop and a retired policeman waiting at a bus stop — and three officers were injured by gunfire while responding to reports of clashes, police said.

The first bomb exploded outside the Karachi Stock Exchange in the city's bustling financial district, injuring five people, officials said. The explosive had been hidden in a motorcycle parked outside the building.

The second bomb, also stashed in a motorcycle, blew up in front of the Sind provincial government building, within yards of the state's marble Parliament compound, also injuring five people, police said.

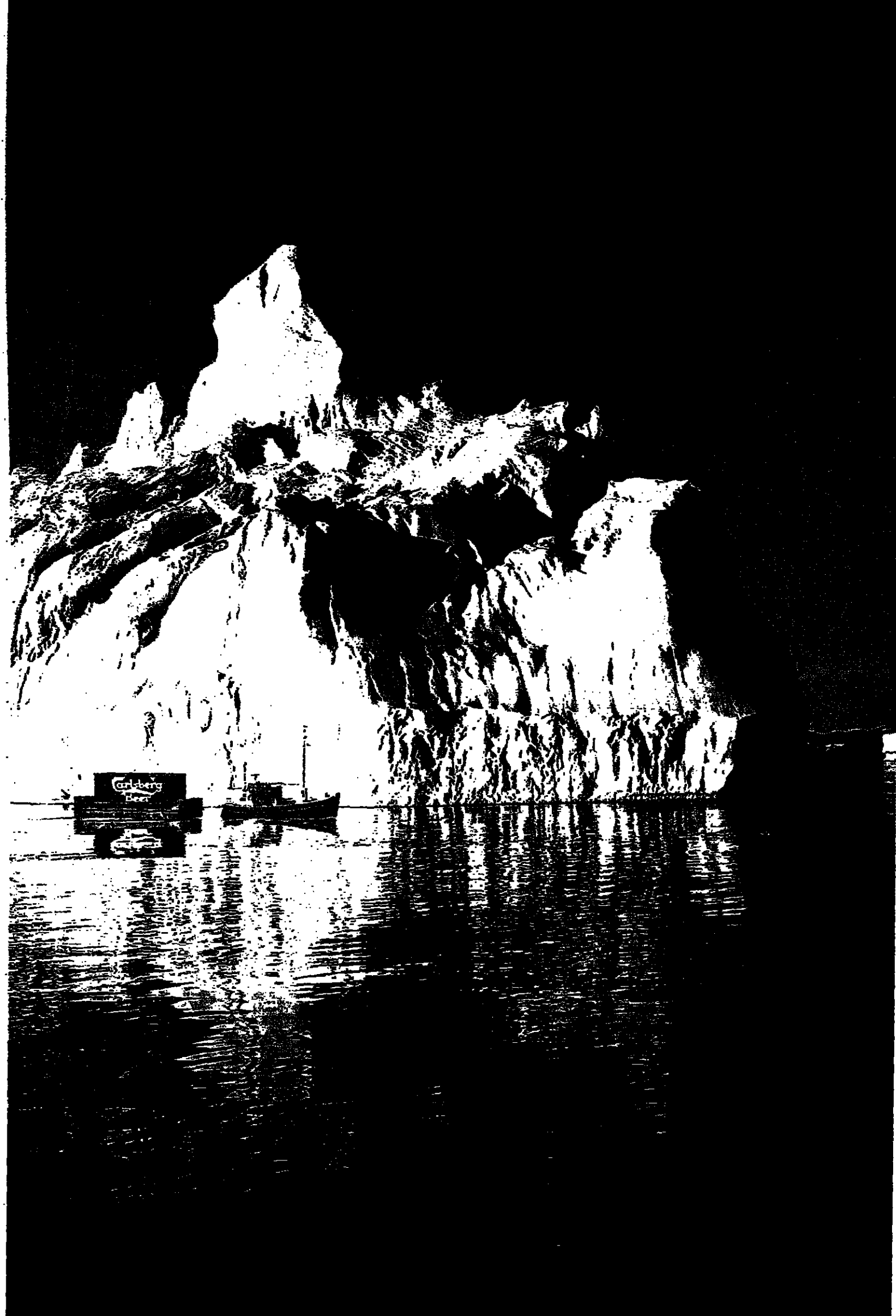
No one claimed responsibility for the bombings — the fourth to shake the city since Tuesday.

Nearly 100 people have been killed in violence in southern Karachi in the last month, with most of the deaths linked to bitter feuding between rival factions of an ethnic party. (AP)

### Aquino Joins Protest

**MANILA** — Former President Corason Aquino joined a demonstration Thursday against a plan to bury Ferdinand Marcos in Manila's Heroes' Cemetery.

Mrs. Aquino, who helped topple Mr. Marcos in a popular revolt in 1986, was among 200 people protesting the decision by President-elect Joseph Estrada to allow Mr. Marcos's body to be buried in the cemetery. The former dictator died in exile in Hawaii in 1989. "He is not a hero," Mrs. Aquino said. (AP)



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## EUROPE

## Britain Is Bemused as Tony Blair Puts On a Hip Proletarian Accent

By Sarah Lyall  
New York Times Service

LONDON — Tony Blair is a prime minister who prides himself on his common touch, so there was nothing particularly surprising about what he said recently on a British talk show.

Mr. Blair delighted his host, Des O'Connor, by telling a joke about his mother-in-law. He described how he hung up on Queen Elizabeth when an airplane pilot ordered him to turn off his cell phone. And he told a long story about how he was presented with a gift horse by the mayor of a French village. "I wasn't sure whether to ride it or eat it," Mr. Blair said.

Ha, ha (or not). But joking aside, where were the prime minister's T's? What happened to his H's? Why, when he tried to say, "they put on a little show for us with the mayor of the little village," did it come out as, "they pu' on a li' village?" And why did he say, referring to the horse, that "it's come back to England?"

Or, as Bruce Anderson said, writing in *The Daily Mail*, "Why did the prime minister take reverse elocution lessons?"

As it watched the show, a nation acutely aware of the nuances of accent noticed with a jolt that the prime minister had apparently changed his.

The familiar Mr. Blair, with his soothing, almost preacher-like voice — a voice that sets him linguistically above the working classes and is a slightly modified example of what is known here as Received Pronunciation — had disappeared. In his place was a new Tony, a Tony speaking something called Estuary English, a hybrid accent that was first identified in 1984 and says something else altogether.

Taking some of its cues from traditional Cockney, such as the tendency to drop the "t" in words like "lot" and "little," Estuary English has become increasingly prevalent in the south of England and is generally used by modestly accented people seeking to appear more upscale, and by people with upscale accents, particularly teenagers in expensive schools, seeking to sound more street-wise.

Mr. Blair might well have picked up the accent from his young son, who attends the sort of posh London school where Estuary English flourishes in the mouths of students wanting street cred, said Paul Kerswill, a lecturer in linguistics at Reading University. Maybe Mr. Blair was looking for his own sort of street cred.

"I think he wants to be cool," said Mr. Kerswill, noting that Mr. Blair has made it clear that he enjoys playing the guitar in his spare time. "We probably got it from the Americans, the

idea that you can be a politician and hip at the same time."

Finding itself a bit on the defensive about the episode, Downing Street acknowledged that the prime minister sounded different, but denied that he had actually put on a new accent.

"When you're on a show like that and you're telling an anecdote, your voice changes to reflect the tempo of the anecdote," a spokeswoman said. "We all change our voice to suit the thing that we're talking about. And the prime minister is very good at impersonations."

But in a country obsessed with accent, Mr. Blair's obvious shift downward was a sign of the times and an interesting insight into his style as prime minister. While other prime ministers have certainly taken their accents down a few notches when it suited them, their forays into regional or working-class accents have generally reflected their own backgrounds.

In a famous elocutionary makeover, Margaret Thatcher, a grocer's daughter from Grantham, in Leicestershire, used her iron will to conceal her humble verbal roots, losing her local dialect and developing a classically upper-class accent that she then fine-tuned downward again on the advice of her public-relations team.

"They said, 'You've got to remove some of the posh features,'" said John Honey, a pro-

fessor of linguistics at the University of Botswana and the author of "Does Accent Matter?"

"She adopted that heavy breathing, intensive-care kind of voice," Mr. Honey said. "She dropped the pitch of her voice to sound more soothing and less strident, and she dropped the use of the impersonal 'one.'"

Mrs. Thatcher's real linguistic self rarely came out. But once, incandescent with fury in *Parliament*, she yelled "You're trait!" using dialect for "frightened." It was a slip that her Labor opponents would taunt her with for the rest of her career as prime minister.

While Mrs. Thatcher's successor, John Major, stuck to a bland if synthetic form of Received Pronunciation, Mr. Blair seems to be the first prime minister to have used Estuary English publicly, a state of affairs that caused dismay among some language purists, even those accustomed to hearing it spoken by other politicians.

"I was left screaming: 'Tony, you're a public-school, Oxbridge-educated lawyer,'" Brian Reade wrote in *The Daily Mirror*. "Why are you patronizing us?"

Anne Shelley, vice president of the Queen's English Society, said, "I was very disappointed with Tony Blair." Referring to the way he dropped his T's, she added, "His speech was

slovenly and the glotal stop was the ugliest of the lot."

To several political reporters, the prime minister's sliding speech demonstrated nothing other than an alarming, Clintonesque desire to be all things to all people, to pretend he was "Reliable Ron from Romford," as Mr. Reade put it.

"The obvious explanation is voice-gelling: trying to persuade his audience that he is really one of them," Mr. Anderson of the *Daily Mail* wrote.

"Mr. Blair is a politician who adapts his personality and views to his surroundings to avoid disappointment in the opinion polls."

But veteran language-watchers said they were not too upset by his foray into Estuary English. They have previously noted anomalies in the prime minister's speech, like the American-style tendency to muddy hard vowels in words like "conservative," so that it comes out as "con-serv-a-tive," and the tendency not to vocalize his L's, so that "arsenal" becomes "arsenaw."

"People in public life — particularly, perhaps, people in politics — need always to avoid the impression that they are in a world apart, in a sort of upper crust," said Lord Quirk, a linguist and member of the House of Lords. "On the other hand, they have to avoid giving the impression that they're talking down and joining in the yobbos, as it were. It is a very difficult mix to achieve."

## Czechs Poised to Approve First Leftist Rule Since '89

But Social Democrats May Need to Share Power

By Peter S. Green  
International Herald Tribune

PRAGUE — Seven months after ousting Vaclav Klaus, the longest-serving rightist leader in Eastern Europe, the Czech Republic is poised to elect its first leftist government since the 1989 overthrow of communism, in national parliamentary elections on Friday and Saturday.

But polls and interviews show that a lackluster campaign has failed to meld widespread public discontent with stalled economic reforms and corruption into support for a single party. Instead, analysts and commentators say, the results are likely to leave the Social Democrats, now in opposition, struggling to build a leftist or left-center coalition that may rely on the tacit support of both the rump Communist Party and Mr. Klaus's resurgent Civic Democratic Party.

The Czech Republic once led the former Communist world in its economic and political transition. But unfinished reforms contributed to a reduction in economic growth last year to near zero, and the currency lost about a fourth of its value. Rising crime, unemployment and budget cuts that have hobbled public services — including education and health care — have left many Czechs disillusioned with the Thatcherite panacea that Mr. Klaus offered during his five and a half years as prime minister and earlier service as finance minister after the Velvet Revolution. The interim government of the last six months has pursued similar, if more effective, policies.

First results from the vote are expected Saturday afternoon, but analysts say it may take months to build a working coalition government, making President Vaclav Havel the country's political kingmaker.

Opinion polls issued before a pre-election moratorium this week showed the Social Democrats poised to win 28 percent of the vote, with Mr. Klaus's party second with 23.6 percent.

On the left, the polls indicated the Communists would win 10.3 percent, and that the Pensioners for a Secure Life, a new party led by a former Communist army colonel, would take 7.0 percent. On the right, the Christian Democrats would take 8.8 percent, with 8.4 percent going to the Freedom Union, a new party, led by Jan Ruml, the former

interior minister.

The xenophobic Republican Party of Miroslav Sladek would squeak into Parliament with 6.1 percent.

Elections are being held two years ahead of schedule after Mr. Klaus was forced to resign in November. His junior party leaders had revolted over accusations that he had condoned donations to his party coffers in exchange for favors in the country's post-Communist privatization program.

For the past six months, a rightist government led by the former central bank governor has worked hard to complete the economic and institutional transformation that Mr. Klaus had largely abandoned. It has moved to privatize banks, clean up the corrupt stock market, improve life for the country's impoverished gypsies and bring to account at least some of those who embezzled billions of dollars from Czech banks, companies and investment funds.

The Social Democrat leader, Milos Zeman, has failed to define his party's platform, but as the only established alternative to four more years of Mr. Klaus, he has won significant support.

Ignoring the charges of corruption and economic failure, Mr. Klaus has made his campaign a referendum on his own person. He paints the election in Cold War terms, warning of what a party colleague called the "red triangle" of Social Democrats, Communists and Pensioners.

"The threat is real," Mr. Klaus said. "They are ready to introduce creeping socialism in this country."

He was more vague on just what form creeping socialism would take. "They want to change the equation between the citizen and the state," he said.

But few people see any sign of a return to communism.

"The feeling is that all the politicians are thieves, so we'll pick the one who is at least a competent leader," said Mr. Safir, the newspaper editor.

Mr. Havel, still ailing from a lung cancer operation in 1996 and an emergency partial colostomy two months ago, has advised voters to pick parties that offer concrete solutions to the republic's problems.

"The country is at a crossroads," Mr. Havel warned. "It will either become a civilized European democracy with a developed political culture, or turn into a banana republic."

## Cyprus Denounces Visit by Turkish Jets

Compiled by Our Staff From Dispatches

LEFKONIKO, Cyprus — Six Turkish F-16 warplanes swooped into northern Cyprus on Thursday in the latest exercise in brinkmanship between Turkey and Greece.

The jets, bristling with weaponry, parked on the tarmac at a small Turkish Cypriot airport in Lefkoniko. Tight security measures were in place, and anti-aircraft guns were stationed on the runway.

Three of the planes later left. They circled low over the airport before screeching off north toward Turkey.

The deployment was in retaliation for an unprecedented visit by four Greek F-16s and two C-130 transport planes to the southern Cypriot air base of Paphos this week.

The arrival of the Turkish aircraft angered the Cyprus government on the south of the divided Mediterranean is-

land. It denounced what it described as "provocative" violations of its airspace by Turkish jets and said it would make protests to international organizations.

"Cyprus remains calm to the attempts by Turkey to create artificial tension," a five-line statement issued by the government spokesman's office said.

Greece, meanwhile, said Turkey was violating international law by sending warplanes to bases in northern Cyprus but dismissed the move as nothing new.

"Turkey already has an abundance of weapons systems illegally on Cypriot soil," Foreign Minister Theodoros Pangalos said. "I don't see how this in any way changes the present situation."

A Greek Cypriot military source said, "We will protest the violation of our airspace to the United Nations."

The Anatolia news agency quoted Prime Minister Mesut Yilmaz of Turkey as saying during a visit to Romania:



BACK HOME — Louise Woodward, the British au pair who was convicted of killing a child in her care in Massachusetts, walking with her father, Gary, through a terminal at Heathrow Airport outside London after a U.S. court allowed her to leave. She flew back to England from Boston early Thursday.

## German Rail Passengers Appeal

BONN — A German rail passengers' association called on the state railroad Thursday to improve the safety of high-speed trains after the country's worst rail disaster in more than 50 years.

The appeal by the Pro Bahn passengers' association was made after a Hamburg-Berlin train was slowed but not derailed by rocks placed by saboteurs on a 50-meter stretch of high-speed track, the police said.

A spokesman for the federal border guard said that an Inter-City Express train, like the one that was derailed and crashed two weeks ago in the town of Eschede, killing 100 people, had passed through the rocks near the northern town of Buechen at a speed of 150 kilometers an hour (90 mph).

The incident Tuesday evening was the latest in a string of at least 40 attacks on railroad tracks this year.

A Pro Bahn spokesman, Holger Jansen, said that the crash in Eschede could have been prevented and that efforts to inspect and improve deficiencies were insufficient. A broken wheel has been blamed for the crash. (Reuters)

## Russia Warns on Proposed Court

ROME — Russia said Thursday that unless a proposed International Criminal Court was placed under the strict control of the United Nations Security Council, it was "doomed to failure."

A Russian deputy foreign minister, Iuri Ushakov, told a UN conference on establishing a permanent tribunal for the worst mass crimes: "Such attempts are counterproductive. A court not working in close combination with the Security Council of the United Nations is doomed to failure."

Russia was the last of the five permanent members of the Security Council to speak, and Mr. Ushakov made it clear that his country followed the United States and China in seeking strict limits and veto power on the court's authority.

France had been in that camp, but broke ranks Wednesday with a significant compromise in which it said it would accept the automatic jurisdiction of the court over genocide and crimes against humanity, but not over war crimes.

Britain, the fifth permanent Security Council member, is one of some 50 "like-minded" states that have been pressing for an independent court with a prosecutor free to initiate proceedings with no strings attached. (Reuters)

## 11 Die in Lightning Fire in Urals

YEKATERINBURG, Russia — At least 11 persons, including the head of a military base, died in a fire after lightning hit an explosives store in Russia's Urals region, officials said Thursday.

The fire started Wednesday when lightning struck the explosives store in the village of Losiny, 30 kilometers (20 miles) northeast of the regional capital, Yekaterinburg. Huge explosions and a fire quickly spread. (Reuters)

## Yugoslavia Won't Relent on Kosovo Crackdown

Reuters

PRISTINA, Serbia — Yugoslavia defended its crackdown on ethnic Albanian separatists in Kosovo on Thursday and refused to withdraw its troops.

The Yugoslav foreign minister, Zivadin Jovanovic, said that talks with the Albanian side should begin immediately, but that Belgrade would not accept an international mediator.

More than 300 people have been killed and tens of thousands have fled their homes in the southern Serbian province since February, when police

cracked down on separatist ethnic Albanian guerrillas of the Kosovo Liberation Army.

Mr. Jovanovic said in Brussels after talks with his Belgian counterpart, Eric Derycke, that his government was ready to solve "all issues through direct, unconditional dialogue."

The talks, he said, should take place against a background of respect for territorial integrity and for human rights and national minority rights.

Asked if Belgrade was ready to pull its troops and special police back from

the crisis zone, Mr. Jovanovic said: "It's not a foreign territory. They are needed there."

Mr. Jovanovic's message was unlikely to dispel suspicions that President Slobodan Milosevic of Yugoslavia is unwilling to make any fundamental change of strategy in Kosovo, where months of conflict have fanned fears of a wider Balkan war.

Separately, Albania accused Serbian border guards of killing an Albanian citizen just inside its territory and dragging his body back across the border.

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only the gravest international crimes are likely to come before the court.

Nevertheless, Washington has tried a variety of strategies to weaken the court. Many countries, now including France, recognize the need for an independent prosecutor who can decide that alleged crimes in, say, Iraq or Kosovo need investigating. Washington wants that decision made by the UN Security Council or by individual countries, which are rarely willing to accuse each other.

Another worrisome idea would require a nation's consent before its own citizens could be prosecuted. This would give someone like Saddam Hussein the power to block his own prosecution, a major step backward from current international law. International support for this position is eroding, but Washington is alarmingly silent.

The United States may yet come around to supporting an effective court. But if it does not, the court's planners should not weaken it just to please the great powers. The U.S. Senate, which has been slow to ratify many human rights treaties, is not likely to approve the court soon anyway, another reason not to tailor the plan to the Pentagon's specifications.

—THE NEW YORK TIMES

still enviably low by world standards. Japan is in a gradual slide toward stagnation rather than in sharp crisis. The ruling party is expected to win upper house elections next month. People still live comfortably.

That is definitely not true in much of Asia outside Japan, including Indonesia, South Korea and Thailand. In those countries, economic crisis is causing real suffering, and Japan's recession is a major aggravation. Japan provides less of a market for Asian goods, and its own exports displace those from the rest of Asia increasingly as the yen loses value. How much Japan cares about this is open to question.

There is another crucial difference between Japan and other Asian nations with stricken economies: Japan has the financial wherewithal internally to solve its own problem. What has been lacking is political will.

This is not to say that solutions will come easily. By repeatedly failing to deliver on its own promises of reform, Japan's government has severely damaged its credibility. And by postponing year after year, a reckoning for insolvent banks, Japan has ensured that dealing with the bad-loan problem will be far more painful than it had to be.

Nonetheless, such a reckoning, as promised by Mr. Hashimoto on Wednesday, is essential to Japan's long-term recovery. It must be accompanied by serious fiscal stimulus, including a permanent — not one-year — tax cut, and by serious reform. The currency markets, like the rest of the world, will watch to see whether this time the Japanese can deliver.

— THE WASHINGTON POST.

one mistake, you're going to destroy nations. Therefore the lesson was [that] the indefinite combination of human fallibility and nuclear weapons carries a high risk of destruction of nations.

— *From a CNN "Worldview" interview on Tuesday.*

The nuclear-weapons declared states have had a good run of successes. They have succeeded in getting the Nuclear Nonproliferation Treaty extended indefinitely, over many objections, and had the Comprehensive Test Ban Treaty passed over India's objections. Yet anyone looking at the disarmament record of the Five would be embarrassed, if he or she were fair. And the unattainable goal of complete nuclear disarmament officially lies in the distant future — beyond the horizon.

— *S. Nihal Singh, commenting in Khuleej Times (Dubai).*

[Washington's] failure to censure China for its unremitting effort to help Pakistan become a nuclear power has dramatically altered the strategic world order. The implications of world inaction in the face of China's audacity are of the utmost gravity.

— *James Webb, commenting in The New York Times.*

sunshine but meriting complaint when it rains on the day of a picnic.

Two conferences last week on the outlook for Europe reflected the loss of clarity and confidence in what a united Europe wants to be, what it wants to do. One, at the Aspen Institute in Berlin, was a French-German dialogue which mainly highlighted the basic differences between the two societies and their assumptions. The other, convened by the Council for the United States and Italy in Rome, had a wider scope but no more consensus on the major goals.

The tendency is to discuss details and technical points, which inevitably leave the broad public feeling that it has no part in the debate and makes it hopelessly dull for all but experts.

The experts never fail to bemoan the lack of interest, but there are no plans for what to do about it. It is called "the democratic deficit," and the public and the media are usually blamed.

I fault primarily the politicians who are not adequately doing their job of explaining the decisions they make, sometimes courageously but without a real attempt to tell people why it matters and what is to be gained. They

how many have returned or intend to. Many urban-based ethnic Chinese are living in fear of the future, ready to flee at new signs of unrest.

The bulk of the ethnic Chinese community, however, is poor and without the means to escape. They have been doubly hurt—first by the economic crisis and then by the violence.

Indonesia is home to hundreds of ethnic groups, and preserving harmony as it becomes more democratic will be a tall order. The ethnic Chinese, 4 percent of the population, pose an especially tricky challenge to Indonesia's new leadership because of their economic clout.

Ethnic Chinese-run conglomerates are estimated to control up to 70 percent of the modern private economy

**WASHINGTON**—The Indonesian economic and political crisis provides an important test for post-Cold War American foreign policy.

The Clinton administration's jumbled approach is, in substantial part, responsible for the present state of affairs.

The U.S. Treasury Department had for some time been insisting that Indonesia adopt changes to open itself to true market forces and end much of the economy's government-privileged and protected status.

Unfortunately, Treasury pursued these reforms through an IMF program that would lessen the blow-back on imprudent Western lenders, increased the ferocity of the economic change felt by Indonesians.

The Russians have an interest in seeing it to that Serbia maintains its integrity in Kosovo. If Albanian separatists succeed in breaking free, then Chechen separatists would establish the precedent for their secession from Russia.

Already Chechen fighters are infiltrating into Kosovo to help ethnic Albanians establish the principle that old borders are not sacrosanct and that ethnicity should determine nationality.

Americans' natural impulse is to side with the oppressed Kosovars. Mr. Milosevic manipulated Serbian war criminals in Bosnia. His arrogant abrogation of the Kosovars' autonomy a decade ago invited today's trouble. By driving tens of thousands from their homes, he has radicalized the local population behind the separatists.

But is America prepared to use its military might to support local uprisings around the world? Who is a patriot to be protected and who is a terrorist to be condemned?

The United States cannot encourage revolt within countries, but neither can it ignore blatant violations of human rights or ethnic cleansing. That means that it cannot adopt a hard-and-fast policy of either cool isolation or righteous intervention.

In northern Iraq, for example, a no-fly zone enforces autonomy for the Kurds, but the United States does not threaten Turkey with an independent Kurdistan.

In Indonesia, Washington should be urging Jakarta's

**NEW YORK** — Professor Koch, who has recently returned from German East Africa, addressed a distinguished audience assembled under the auspices of the Colonial Society on the subject of malaria in the tropics. The great bacteriologist stated that he had found the study of Texas fever in cattle of the greatest assistance in casting light upon the nature of malaria. The cattle disease had been found to be transferred from one herd to another solely by the agency of that animal parasite, the tick. He had arrived at the conclusion that in the case of the human disease mosquitoes probably played the part which ticks played in the cattle disease.

**CATANIA** — The eruption of Mount Etna, which has been going on for the last fortnight, sud-

**BERLIN** — The economic split of Germany became final tonight [June 18] as this nation learned that its previously uniform money will be replaced on Sunday [June 20] with a separate currency for the three Western zones, but with the old reichsmark prevailing temporarily in the Soviet Zone and Berlin.

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## OPINION/LETTERS

Victory Will Take Time  
In the War on Drugs

By David F. Musto

WASHINGTON — After three decades of studying the history of drugs and drug policy in the United States, I was impressed (and surprised) by the Clinton administration's recent proposal for a 10-year drug strategy.

Here, at last, comes recognition of the need for a steady and consistent policy over an appropriate span of time. A common fault in drug policy has been anticipating or promising dramatic results within an unrealistically brief period.

Therefore, when the speaker of the House rejected the strategy's goal as too drawn out and defeatist, I wondered whether our American drug policy could ever escape the insistent, immediate demands of our political life.

Newt Gingrich feels that a 10-year strategy indicates pessimism and perhaps lassitude in dealing with the drug problem. The Civil War, he says, "took just four years to save the Union and abolish slavery." Why can't we solve the drug problem, another form of slavery, in just a few years?

A look at our first drug epidemic, which peaked between 1900 and World War I, reminds us that the duration of a wave of drug abuse has been roughly a half-century even in the face of severe penalties and popular condemnation.

To approach the drug problem as if it were the gasoline shortage of the 1970s is to misunderstand the nature of the problem.

Reducing and stopping drug use requires fundamental changes in the attitudes of millions of Americans, and that shift in attitude is more gradual than we would wish.

When Mr. Gingrich praises the decline in drug use among young people from 1979 to 1992, he is talking about a decline that was just 1 or 2 percent a year. Declines in drug use are gradual, at least when compared with the heated promises we have heard for three decades about a quick elimination of the problem.

Thus a 10-year strategy is reasonable in that it promotes a steady pressure against drug use, less affected by shifting political forces. An approach that transcends more than two presidential terms even carries a hope that the

issue can be lifted out of partisan conflict.

Demanding quick solutions to the drug problem inevitably leads to frustration because the decline rate is never as steep as promised. This may lead to more severe penalties, the scapegoating of minorities and, finally, discouragement.

Can we say anything positive about the congressional statement contained in the 1988 Anti-Drug Abuse Act that the United States should be drug-free by 1995? Such misperceptions of our experience with drugs create a sense of failure, even though drug use generally has declined since 1980. Promises of a quick fix may energize concerned citizens for a while, but the larger effect is to discourage them.

Repeated, hyped, short-term campaigns to end drug abuse "once and for all" (a federal government slogan of 1972) are reminiscent of cocaine use. Every time the same dose is taken the impact lessens, the temptation to increase the dose escalates and, finally, you have burnout.

Mr. Gingrich's Civil War analogy suggests he was not wearing his historian's cap when he spoke. The Civil War marked the culmination of many decades of an abolitionist campaign that gradually changed Americans' attitude toward slavery. Altering perceptions is at the heart of such principled efforts, and it cannot be done quickly.

This is the wisdom of John Adams's observation that the American Revolution was "done and the principles all established and the system matured before the year 1775." For Adams, to focus on the War of Independence was to lose sight of the "revolution in the minds of the people" that occurred in the two decades before the shot was fired at Lexington.

This is the historical perspective we must bring to the campaign against drug abuse. We do not need simplistic references to short wars that supposedly ended prolonged and embedded social evils.

The writer, a professor of child psychiatry and the history of medicine at Yale School of Medicine, contributed this comment to *The Washington Post*.



## LETTERS TO THE EDITOR

## Recognize Kosovo

Again we in the West allow Slobodan Milosevic to call the tune. Faced with the reality of his oppression — verging on genocide — in Kosovo, we make only vague calls for negotiations.

The West is making the mistake of saying it prefers to keep the remainder of Yugoslavia together. Of course, the proliferation of small, perhaps unviable states is not an attractive prospect. But why make a difference in principle between, say, Slovenia and Kosovo when fundamental human rights are being crushed?

The argument of noninterference in a country's internal affairs has already been rejected with the Helsinki Final Act of 1975, which makes violations of human rights a legitimate diplomatic issue. The West should not be paralyzed by the UN Security Council is unable to act. In any case, the legal argument could be circumvented by recognizing Kosovo as an independent state.

WILLEM VAN EEKELLEN  
The Hague.

## On Indonesia

Regarding "Suharto's Record: Flawed but Nonetheless Admirable" (Opinion, May 27) by Robert Elegant:

In Indonesia in the mid-1950s there were indeed hotels, taxis and telephones — maybe not of the style or quantity that Mr. Elegant would have liked, but they existed nevertheless.

Yes, Mr. Sukarno left Indonesia in a big mess. But after 32 years of people still live below the poverty level. They do not have air-conditioning or phones, and many do not know where their next meal is coming from.

If there was any admiration for Mr. Suharto in the early days, it was completely lost during the last 10 years of his rule. His family and cronies became rich while he virtually bankrupted the country. If he had left power 10 years ago and put the country in the hands of capable technocrats, Indonesia would be relatively prosperous.

J. DIENGAAR  
Jakarta.

## Who's Right?

Regarding "Ignore the IMF and Bring Interest Rates Down in Asia" by Philip Bowring, and "First, Habibie Has to Restore the Indonesian Economy" by David

G. Brown (both Opinion, June 9):

Mr. Bowring, writing about the economic plight of Asia in general, says that, "apart from the one-off impact of devaluation, inflation is nowhere to be found."

Mr. Brown, writing about Indonesia, says that "inflation is spiraling out of control and could exceed 100 percent this year."

What is the average reader to make of such disparate statements?

J.R. ROELE  
Orville, France.

## A Gleam in the Eye

Surely one of the great advantages of aging is a deeper appreciation of cerebral pleasures. Isn't it said, then, that instead of celebrating the expansion of mind and spirit in our later years and the waning tyranny of hormones, we choose to lower ourselves to the level of medicated laboratory rats?

Thanks to Viagra we face a possible army of octogenarian studs with drug-induced gleams in their eyes, a sight that would make any lady worthy of the name head for the hills. Before the birth control pill, women had a good excuse to go to bed with a book. Before Viagra, so did men.

RUTH LAMBERSI  
Brussels.

Blacks and Whites Unite  
After a Texas Lynching

By William Raspberry

WASHINGTON — Jasper, Texas, already reeling from an apparent lynching, is about to play reluctant host to a Ku Klux Klan rally.

Talk of adding insult to fatal injury!

And yet, do not be surprised if tiny Jasper comes through not merely O.K. but as a stronger,

## MEANWHILE

more racially unified example for America.

Already, the town's response to the June 7 slaying of James Byrd Jr. has been extraordinary. The gruesome killing — three white men have been charged with chaining the 49-year-old black hitchhiker by his ankles to their pickup truck and dragging him to his death — might have set off an explosion of racial bitterness, even warfare.

It didn't. And the reason it didn't is because the whites in Jasper moved quickly and convincingly to demonstrate that they were as aghast at the brutality as were their black neighbors.

The lynching, they made clear through a series of public statements, interracial rallies and joint prayer vigils, was an offense against Jasper — against humanity — and not merely against African-Americans.

This little town in the piney woods of East Texas reminds me of something I have often wondered about: How do people who were on the wrong side of racial issues a generation ago feel about it now? Have they made peace with themselves? Have they hardened into thoroughgoing racists? Do they crave forgiveness?

I think of the young white waitress who went ballistic when a respectable older black cleric from the North addressed her as "my dear" in (as I recall it) a Mississippi café. This must have been around the time of the Emmett Till lynching, and for a time the minister appeared to be in serious danger. I wonder if the waitress remembers the incident (she must) and if she has any regrets.

I would love to spend a few minutes with the white survivors of those earlier race wars and get them to reflect on their own roles.

Are they proud? Ashamed? In denial? I mean ordinary folk, not the governors and imperial wiz-

ards but folk like the hate-spewing New Orleans "cheerleaders" who taunted little black children as they integrated the local schools, or the whites in Little Rock, Arkansas, who did the same thing.

Or the people who knew about the haters and the night riders and did nothing to discourage their activity. Or the ministers who found it prudent to put their Christianity on hold. I wonder what they have to say for themselves today?

I don't wonder about the folk — black and white — in Jasper.

There is no doubt in my mind that they will be proud to tell their children how they stood up against racial horror and helped bring their town together.

I had been prepared (as Jesse Jackson and other members of the black leadership obviously had been) to see James Byrd's slaughter in the old context of Southern lynchings. I expected black anger and white denial. I expected a retaliatory strikes against whites (not necessarily against the perpetrators, who probably would not be apprehended or convicted, but against white people). A lot of us expected the whole thing to play out primarily in racial terms.

Jasper's response was human, not racial, and to an encouraging degree it lifted the rest of us Americans above mere racial reactions, made us think a little differently about things.

Not all of us, of course. Some whites may not feel any particular remorse, and some blacks will view the calls for calm, the praying together and the offers of healing as a bow to racism out of weakness.

But most people, I suspect, will see it as I do: as an intelligent, hopeful and humane response to the worst sort of inhumanity. And as a result the people of Jasper, black and white, have isolated the thugs.

Now the people of Jasper, including the town's black mayor, have agreed, reluctantly, to let two units of the Klan hold a rally at the end of next week. The out of town Klansmen say their purpose is to disavow any involvement in the Byrd murder.

I will not be surprised if the town manages to turn even a Klan rally toward racial healing.

The Washington Post

## BOOKS

THE KNIFE THROWER  
And Other Stories

By Steven Millhauser.  
256 pages. \$22. Crown.  
Reviewed by A.S. Byatt

THE best, and strangest, of Steven Millhauser's curious and tantalizing new stories are dreamy tales of altered consciousness — a child on a flying carpet, a balloon navigator in the Franco-Prussian War — but the most original and successful are written in the first person plural. They are told by dry, anonymous voices: by people who are at once a community and an audience, since the stories are characteristically about peep shows, pleasure domes and performances.

They recount, in a sense, the communal fantasies of a democracy. They have a characteristic modern tone of commentary, or journalism — they occasionally include imaginary reporting in their accounts. But what they tell is like Hawthorne, Hoffman and Kafka. Indeed, Kafka's tale of Josefina, the singer of the mouse people, is the nearest analogy I can think of for the narrative voice.

The title story is about a performance by a virtuoso knife thrower. Hensch, maker of precise bloody marks. It moves from skill to the fulfillment of secret desires, in the audience and in those members of the audience who volunteer as targets. It steps beyond the bounds of the comfortable, and the shrewd, complicit representative voice goes with it.

"The Sisterhood of Night" describes, precisely and dryly, the rumors and theories surrounding a secret society of girls age 12 to 15 who meet in silence at night in a small town. The voices are a blend of gossip and reportage. The girls may be doing something unacceptable or nothing at all. There may be a witch hunt in the making. Or the whole thing may merely be a comic fuss about adolescent secret societies.

The best stories add to the communal whisper an interest in artifacts, constructions, inventions, mostly those constructed by our grandparents in the days of

clockwork and early technologies. In "Little Kingdoms" Millhauser wrote brilliantly about the real and unreal forms of the first animated cartoons, a new kind of two-dimensional imaginary world for the mind to inhabit. Here "The New Automaton Theater" tells the tale of a German city proud of its miniature theaters, and the career of a master automaton maker who moves from perfect miniature verisimilitude to grotesque caricature. The anonymous narrative voice analyzes the pleasure in miniaturization, the pleasure in likeness, the pleasure in likeness. "The real is used to bring forth the unreal," it says.

In "The Dream of the Consortium" Millhauser has created what must be almost the ultimate version of that minor genre, department store fiction. The consortium buys the department store and makes in it a fantasy world where the consumer may purchase anything he wants, enter a reconstruction of any time or place he chooses. Millhauser's own ingenuity is delicious — he moves from catalogues of objects where the precision of his own solid imagination is the pleasure, to huge impossible commercial projects, to a metaphysical version of the sense we all have in shopping malls that there is no way out of these alleys and vistas of required desire and artificial paradises (and infernos, for those who want them). His eclectic lists are dizzying: "you could purchase quartz heaters, power mowers, Venetian palazzi, electric pencil sharpeners, Scottish castles, cordless phones with ten-channel autoscans, flying buttresses, mulching tractors... lagoons, sphinxes, exercise cycles, black leather recliners. Upper Palaeolithic Caves with drawings of bisons..." and on and on.

What is the fascination of these communal artifacts? I think that we as a group feel a kind of horror, as well as an aesthetic admiration, at skill in puppetry, automation, mimicry. We are troubled by arts like knife throwing, which make artificial plays with real dangers.

Coleridge, writing of the imagination and mimesis, claimed that whereas we love real peaches and skillful paintings

of peaches, we recoil in horror from a mimetic marble peach. Millhauser's world is the imaginary world that once held angels and demons, mythic beasts and gardens, heaven and hell. The imagery of our human frontiers, upward and downward — the blue heaven above and the cavern below — appears with surprising constancy in his tales. His characters soar into the blue, stepping off gables astride flying carpets, in hot air balloons, on Ferris wheels.

They go underground — the last tale in the book, "Beneath the Cellars of Our Town," is an account of an American town that tends and preserves a system of underground passages (where no one ever gets lost) to experience again and again the pleasure of going into the dark, and also of returning to daylight and seeing it differently. Coleridge's "Kubla Khan" constructed a secondary paradise, "a sunny pleasure-dome with caves of ice." In a way, Millhauser's anonymous representative narrators inhabit a tertiary paradise, a tertiary underworld.

He is not condemning the commercial or the artificial. He is making them strange, celebrating their true, innocent and sinister poetry. He is celebrating the arts that satisfy communal desires — for gossip, for escape, for imagined elsewhere.

He does it for the most part through the artifacts of previous generations, which have become part of our communal fantasy. It would be possible to relate these backward-looking tales to the anticipation of our stepping, as whole communities, into virtual worlds much as we step into rooms with magic windows in the corners, flickering images of everything and everywhere at us, appealing to our desire to consume.

But he is also doing what all good art does: explaining art itself, how it works and works on us, how much and why and in what riddling ways we need it.

A.S. Byatt, whose books include "Possession" and "Angels and Insects," wrote this for *The Washington Post*.

## BRIDGE

By Alan Truscott

AMERICA'S bridge players owe a debt of gratitude to a quiet man, who has just retired. He is Roy Green, who in five and a half years as head of the American Contract Bridge League greatly increased the organization's net worth, to \$4 million, from \$1.5 million. His successful initiatives include the Bridge Hall of Fame and an expansion of the league's library.

Retirement will give Green more opportunity to play, and he is sure to take it. On the

diagramed deal, from a regional tournament in Hot Springs, Arkansas, he sat South. His partner was another prominent league retiree, a former editor of the A.C.B.L. Bulletin, Henry Francis.

After the one no-trump opening, the overall of two spades went over the boundary line from the impertinent to the ridiculous. East could have suffered a penalty of at least 500, but luckily for him, South was in no position to double.

Green bid his hearts and insisted on that suit. He was unsure about the quality of his

partner's spade stop, and was willing to play in a 5-2 fit. The spade king was led and taken by dummy's ace. South cashed the ace and king of clubs and surrendered a club, preparing to ruff the fourth round in dummy.

West led his remaining club winner and South ruffed with the queen, unaware that the eight would have been good enough. He then led the spade jack, which was covered by the queen and ruffed. This pinned the ten, so after drawing trump dummy's nine gave the declarer an overtrick and nearly all the match points.

NORTH (D)  
♠ A J 9 2  
♥ Q 8  
♦ A J 8 3  
♣ A 7  
WEST  
♠ K 10  
♥ 10 9 7  
♦ K Q 10 7  
♣ J 9 2  
SOUTH  
♠ 8  
♥ A K J 4 2  
♦ 6 4 2  
♣ K 10 8 5 3  
Neither side was vulnerable. The bidding:  
North East South West  
1 N.T. 2 ♣ 3 ♥ Pass  
3 N.T. Pass 4 ♥ Pass  
Pass Pass  
West led the spade king.



Photo taken at the Westminster restaurant Le Chateau, Paris.

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## INTERNATIONAL

## U.S. Policy Toward India Hypocritical, Official Says

By John F. Burns  
New York Times Service

**NEW DELHI** — The Indian defense minister says President Bill Clinton should explain why the United States believes that it can "trust China with nuclear weapons" while imposing economic sanctions on India for seeking a nuclear deterrent against threats from its nuclear-armed neighbors, China and Pakistan.

Speaking a week before Mr. Clinton is to leave Washington to visit China, Defense Minister George Fernandes said U.S. policies on nuclear weapons were "hypocritical" because they sought to entrench the arsenals of the five established nuclear powers while shutting out countries such as India that believe they need nuclear weapons for their defense.

Mr. Fernandes said Indian leaders had noted recent news reports in which Clinton administration officials had spoken of the United States and China becoming "strategic partners" and of plans for an agreement that neither side would aim nuclear missiles at the other.

At the same time, Mr. Fernandes said, the United States was leading efforts to punish India with economic sanctions for its underground nuclear tests last month.

"I would ask Bill Clinton only one question," Mr. Fernandes said in an interview. "And it would be this: Why is it that you feel yourself so close to China, that you can trust China with nuclear weapons, just as you can trust yourselves with nuclear weapons, and you can trust the Russians and the French and the British, but you cannot trust India?"

In the interview, Mr. Fernandes hinted at the kind of nuclear arsenal India intends to develop following the five nuclear tests it conducted, and the six tests Pakistan says it carried out in response.

He said the arsenal would be only large enough to act as a deterrent to potential aggressors, and that India would not let the United States and the Soviet Union to amass huge stockpiles of nuclear arms. Mr. Fernandes said India had learned the lessons of the Cold War.

"The United States, with all the might of its nuclear weapons, had to finally get out of Vietnam, and Russia had to surrender, of all people, to the Chechens," he said. "So it is an established fact that any country that has nuclear weapons cannot use them. By definition, they can be used only as a deterrent."

He added: "If we had to go nuclear, it was for the purpose of possessing a nuclear deterrent that would enable us to tackle some of the threats that we faced, only that." He described these threats as coming primarily from "across the border to the north," meaning from China, and from Pakistan, which he said had been aided by transfers of nuclear and missile technology from China.

Mr. Fernandes refused to go into details on the number of nuclear warheads India felt it needed, or how they would be deployed. But in response to a question, he said India's approach would follow what defense analysts here have described as "restrained deterrence."

The term has been used here to describe a nuclear arsenal powerful enough to deter aggressors but not so large as to impose crippling economic costs. Many Indian experts have said that an arsenal of this kind could be "warehoused" to be deployed only in a crisis.

### Deve Gowda Leads Protest

A former Indian prime minister on Thursday led a silent march of more than 2,000 people to oppose a nuclear arms race in the Subcontinent, Reuters reported from Bangalore, India.

"Manufacture and use of nuclear weapons will not lead to global peace," H.D. Deve Gowda said after leading the march for six kilometers (four miles) in the southern Indian city of Bangalore.

Mr. Deve Gowda was prime minister for 11 months until April 1997, heading a 13-party United Front coalition government.



Two Palestinians amid the ruins of their home in Tekoa on the West Bank after it and three others were demolished by Israeli bulldozers Thursday because they were built without the required permits. Critics charge that Israel denies permission to Arabs while encouraging Jewish settlers in occupied areas.

## MODEL: In a Conversion, 2 Major European Leftists Decide U.S. Economic and Jobs Policy Can Be a Guide

Continued from Page 1

many — no longer worked as well for the Old Left in the wider world of European voters and investors.

Without either man's saying so, the praise for the United States had the look of an attempt to nudge the public's perception of their views of economics in the direction of Europe's Socialist middle ground, as exemplified by Prime Minister Tony Blair of Britain or Prime Minister Wim Kok of the Netherlands.

Mr. Jospin, visiting Washington, told reporters, "I changed my view of the United States, which was more the traditional one for a man of the left."

That had meant portraying the American boom as one founded on social injustice and insisting that the United States' remarkable unemployment rate — currently 4.3 percent compared with France's 11.9 percent and Germany's 11.4 percent — had been underpinned by the creation of a mass of low-paying, precarious jobs without real career perspectives.

Now, Mr. Jospin has proclaimed that as old-think. "Contrary to what we said, and perhaps what we believed, and what may have been the case 10 years ago," he explained on the radio station Europe 1, "the creation of employment in America isn't in its majority based on a bunch of little jobs."

"There's absolutely no doubt that there are lessons to be learned in the United States in the area of jobs," Mr. Jospin said, and threw in the words "competitive," "forceful" and "dynamic" to characterize the American economy.

Mr. Lafontaine, whose functions include responsibility for economic policy in the election team of Gerhard Schröder, the Social Democratic candidate for chancellor, described the United States as a model for creating expansion in a speech before pharmaceutical industry representatives in Berlin. Coming from a man usually associated with the classic German Socialist view of state-controlled capitalism, the speech was regarded as singular enough by the Frankfurter Allgemeine Zeitung to label an article about it with the headline, "Lafontaine Pull of Praise for America."

The account said Mr. Lafontaine enumerated the expansion-minded financial policy of the Reagan era, greater flexibility in the labor market and a growth and job-oriented monetary policy as the basic reasons behind the United States' current success. Its essential key, he said, was that unlike in his country macro-economic coordination existed in the United States.

Although labor market liberalization and more flexible social protection rules

have been described by members of the Clinton administration, the International Monetary Fund and the Bundesbank as the levers that could end Europe's cycle of joblessness, the two men's statements left unclear whether they might have any practical bearing on policy in either Germany or France.

In the case of France, there has been no indication from the government that it

### There are lessons to be learned in the U.S. in the area of jobs.

will attempt to sustain the increased growth rate of the past months with less-rigid labor market policies.

Some Socialist leaders have suggested that the coming of the 35-hour week in France, the centerpiece of Mr. Jospin's economic convictions, will eventually serve as a protective screen for a wide-ranging reorganization of the highly regulated job market. But the French Employers' Association insists that it sees none of this on the horizon, and says that it now must deal with new rules that complicate the previous minimum wage law.

"It's great if Mr. Jospin recognizes some of the American virtues," a spokesman said, "but he ought to be spending as much time on the French

## Netanyahu Weighs Vote On West Bank Pullback

The Associated Press

**JERUSALEM** — Prime Minister Benjamin Netanyahu said Thursday that he was looking into ways of holding a referendum on a West Bank troop withdrawal, a step that would further delay a pullback but effectively silence those trying to prevent it.

Recent polls have suggested that two-thirds of Israelis support a U.S. proposal for a 13 percent pullback. Jewish settler leaders have said they would carry out protests to try to topple Mr. Netanyahu over such a withdrawal, which would bring 40 percent of the land under Palestinian control.

Mr. Netanyahu on Thursday confirmed reports that he was examining various ways of holding a referendum on a withdrawal. "We are checking the possibility," he said.

Addressing another sensitive issue, Mr. Netanyahu also pledged to begin construction soon on 6,500 homes for Jews in traditionally Arab East Jerusalem. The Palestinians hope to set up a future capital in the city's eastern sector and suspended negotiations with Israel

in March 1997 after ground was broken for the project.

Openly acknowledging a quota system for the first time, Israeli government planners said an overriding concern was to keep the Palestinian population of the disputed city to no more than 30 percent. The quota was described in a plan for Jerusalem's development through 2020 submitted Thursday to Mr. Netanyahu by a special committee for Jerusalem.

Planners said a key development guideline was that "the relative size of the Jewish and non-Jewish populations in the city should be maintained."

If Jerusalem is to remain the united capital of Israel, "it will be necessary to aim for a target in which 70 percent of the population will be Jews and 30 percent will be Arabs in 2020," the report said.

Palestinian leaders denounced the guidelines. "This is a racist approach, part of the ethnic cleansing policy Israel is implementing against Arabs in East Jerusalem," said Ziad Abu Ziad, a member of the Palestinian legislative council from Jerusalem.

## CABINET: Holbrooke to UN

Continued from Page 1

closeted with Balkan leaders at an air force base in Ohio, Mr. Holbrooke helped broker the 1995 Dayton peace agreement over Bosnia.

After he returned to his job with a New York investment firm, Mr. Holbrooke continued to take diplomatic assignments, serving as Cyprus envoy and traveling to Yugoslavia this spring to pressure President Slobodan Milosevic to temper his crackdown against Kosovo's separatist Albanian guerrillas and negotiate to restore the province's autonomous status within Serbia.

While acknowledging Mr. Holbrooke's talent, some senior Clinton advisers — in particular Secretary of State Madeleine Albright — initially were wary of bringing him into the fold, according to senior officials.

The fear, they said, was that Mr. Holbrooke's penchant for the spotlight and a reputed tendency to trample over bureaucratic opposition would make him more trouble than he is worth.

Other names contemplated for the cabinet-status UN posting were George Mitchell, the former Senate majority leader and head of the peace talks in Northern Ireland, and Representative Lee Hamilton, Democrat of Indiana and



President Bill Clinton announcing new cabinet posts for Richard Holbrooke, center, and Bill Richardson, right, in Washington on Thursday.

the ranking Democrat on the House International Relations Committee. But aides said that Mr. Clinton was focused most intently on Mr. Holbrooke from the beginning.

So was Vice President Al Gore, whom Mr. Holbrooke has advised.

"This is a test for Holbrooke," said an administration official, speculating that if he performs well at the UN, he would be a logical choice to be secretary

of state if Mr. Gore becomes president. Mr. Richardson, 50, also may be thinking of his next job. He was eager to move to the Energy Department, in part because of its significance in dealing with nuclear issues. These are important in his native New Mexico because of research facilities there.

Some Clinton aides speculated that Mr. Richardson might be contemplating running for governor.

## JAPAN: No Feeling of Political Unrest

Continued from Page 1

"Everybody has jobs, everybody has health care and nobody's out on the street," Mr. Morse said. "Even companies that are losing money aren't laying people off."

Certainly Japan does not have the feel of a country in a severe downturn. There are few homeless people, soup kitchens, bankruptcies or vacant buildings. While there are some differences in measurement, the record unemployment rate in Japan is still just 4.1 percent, less than the 4.3 rate in the United States.

An old saying defines a recession as when your neighbor is laid off; when you are laid off, it is a depression. By those definitions, for the great majority of Japanese this is still not a recession.

The gap in perceptions inside and outside Japan on the seriousness of the economic situation here is difficult to exaggerate.

To Americans and many Asians these days, it sometimes seems that Japan's economy has caught fire and is threatening to ignite all of Asia and perhaps the United States and Europe as well. For those fearing a global economic conflagration, nothing is more infuriating than the sight of Prime Minister Hashimoto passively watching the flames and seeming to do little more than blithely insisting that the fire will eventually subside.

In a similar situation, Nero fiddled, but not for eight years — that is the kind of grumbling one hears from American officials these days.

To Japanese officials, the foreign carping seems foolish and petulant. Some say that the U.S. government is simply nervous about its own bubble economy and is looking for a scapegoat to blame when stock prices inevitably collapse. And most Japanese say that the risks are exaggerated.

"The realities of Japan's economy are not as bad as the world thinks," said Jiro Ushio, the chairman of the influential Japan Association of Corporate Executives.

Moreover, many Japanese insist that their country is seriously addressing the recession and the Asian crisis. They note that the Japanese government has begun a huge stimulus package, the biggest in the nation's history, and has contributed far more to Asian bailouts than the United States.

To suggest that we might be oblivious is not, I think, well-founded," said Sadaaki Numata, the chief Foreign Ministry spokesman.

In any case, for all the bewilderment and anger at Japan's reluctance to do more to bolster its economy, seen up close Mr. Hashimoto's behavior makes some sense and appears in keeping with the public mood. After all, Mr. Hashimoto just celebrated the Liberal Democratic Party's latest victory in a parliamentary by-election Sunday.

That was the sixth consecutive victory in by-elections for the Liberal Demo-

crats, and polls suggest that they will also do very well in elections for the upper house of Parliament on July 12. The upper house is much less significant than the lower house, but the election will nonetheless be an important test of public sentiment — and Mr. Hashimoto seems ready to pass with flying colors.

A newspaper poll this week in the Yomiuri Shimbun, taken right before the intervention to support the yen, found that the support for Mr. Hashimoto's government had fallen to 30 percent. But perhaps more important, 29 percent of those interviewed said that they still supported the Liberal Democrats, compared to just 5.5 percent for the leading opposition group, the Democratic Party.

The Liberal Party, which advocates precisely the kind of far-reaching economic restructuring and stimulus policies that Washington would like to see in Japan, had the support of only 1.7 percent.

There have been widespread hints that Mr. Hashimoto will become more aggressive in tackling Japan's financial problems immediately after the election, but that, too, tells something about the public mood. Instead of promising before the election to address the economic mess and mountain of bad bank loans, the speculation is that he will tackle these issues only after he no longer has to face the voters.

## Ustashe Captain Returns to Croatia

Reuters

**ZAGREB, Croatia** — A former World War II concentration camp commander, Dinko Sakic, arrived in Zagreb on Thursday to face a war crimes trial after his extradition from Argentina.

Mr. Sakic, 76, was escorted by the police directly into a prison van from a Croatia Airlines flight and driven away immediately with an escort of seven police cars. He was handcuffed to a police officer.

A former captain who commanded the Stara Gradiska and Jasenovac camps had lived openly in Argentina for 50 years until his past was made public in a television interview in April when he talked of his time at the camps.

Mr. Sakic has protested his innocence, and his Argentine lawyer said Wednesday he was eager to return to Croatia to refute the war crimes charges.

The trial will highlight Croatia's ambiguous role in World War II — it was ruled by the Nazi-backed Ustashe, but thousands of its citizens fought in anti-fascist partisan forces. President Franjo Tudjman's desire for reconciliation between the two sides has provoked controversy in recent years.

## POLICY: Pragmatism Spurs Americans to Take Worldly View of Languages and Contacts

Continued from Page 1

from a selfish point of view, get a leg up for your career, by learning a language, a culture, by your experience abroad."

For a variety of reasons, more Americans are traveling. The number of passports issued annually has risen by roughly a half-million a year in the past decade, except for a drop in 1989, amid the turmoil in Eastern Europe, and in 1991, after the Gulf War. Forty-five million passports are in circulation, meaning about 1 American in 6 holds one.

In 1986, 12 million Americans traveled abroad (not including to Mexico and Canada). By 1996, the figure had risen to 19.8 million.

Overseas phone calls have soared, more than doubling in number from 411 million in 1985 to 984 million in 1990, and then nearly tripling in the five years after that to 2.8 billion, according to the Federal Communications Commission.

The number of Americans living abroad has more than quadrupled in the last 30 years to around 3.3 million, according to State Department estimates. Groups representing Americans abroad say many go uncounted; they believe the true total is 4 million to 5 million.

In a sign of bottom-up change, the number of U.S. public and private elementary schools offering foreign lan-

guages has risen by 9 percentage points in the past decade, to 31 percent of all schools, according to a study by the Center for Applied Linguistics in Washington.

"There are dramatic increases in starting languages early, in elementary and middle schools," said C. Edward Scobol, executive director of the American Council on Teaching of Foreign Languages, in Yonkers, New York.

"This argues against any notion that we don't care about the outside world."

### The growth is goal-oriented: Americans want their children to learn languages like Spanish and Japanese that will make it easier to do business — abroad or at home.

The number of secondary schools offering language instruction has held steady, around 86 percent, but is expected to be pushed up by the growth from below. The percentages of high school students studying foreign languages (51 percent in public schools; 78 percent in private schools), are the highest since the 1920s.

States like Oregon and New York have toughened language requirements, reversing a nationwide trend.

In a sea change of sentiment from days when many people said, "Let them learn our language," parents are going to principals and superintendents

and really demanding foreign languages," said Nancy Rhodes of the Center for Applied Linguistics.

"People, even in middle America, are realizing how they can get ahead in their jobs and careers if they have the extra skill," she said. "It's globalization."

The growth is goal-oriented: Americans want their children to learn languages like Spanish and Japanese that will make it easier to do business — abroad or at home. The interest in Spanish is fueled not just by increasing busi-

ness with Latin American countries but by the rapid growth in the Spanish-speaking community across the nation. One in 10 Americans is now foreign-born, and half of them were born in Latin America.

"We can't stock enough Spanish classes," said Raymond Erickson, dean of arts and humanities at Queens College in New York.

U.S. direct investment abroad has continued to climb, rising from \$640 billion in 1994 to \$796 billion in 1996, according to the Commerce Department.

And yet, indications are that when it



# Leisure

## Portugal's Castles Guard the Past Reflections of Medieval Glory

By Mitchell Levitas  
New York Times Service

**M**ONSANTO, Portugal — This nation's age of glory is written on water. Its 15th- and 16th-century explorers, trained at Henry the Navigator's school at Sagres, carried the flag of the tiny kingdom across uncharted oceans to places as distant as Mozambique and Macao, Greenland, Brazil, Australia and India.

But the toll of defending a global empire proved too high. Soon, with squandered wealth spreading decadence at home, Portugal fell from the pinnacle of greatness with a crash. By 1578, when King Sebastiao and his nobles were slain in a reckless war with Morocco, the House of Avis was near collapse. It was easy for Spain to invade and conquer its neighbor, a humiliation that still smolders, despite a war of independence won by Portugal 330 years ago.

Even now Portugal remains the most reluctant country in Europe when it comes to embracing modernization. Change is held at arm's length. "The future for the Portuguese," observe the art historians Helmut and Alice Wohl, in their book "Portugal" (Scala Books), "is 'saude': the longing for a retrieval of past greatness rendered irretrievable by fear of an unknown, nonexistent punishment, and by guilt over what one has not done."

But why settle for memories of billowing sails and sunken caravels? Monumental evidence of even earlier glory remains vividly alive behind the walls of tiny hilltop villages like Monsanto, Marvao and Monsaraz, and in fortified towns like Castelo de Vide and Elvas.

Lined up like sentinels along Portugal's mountainous eastern border with Spain, medieval castles glisten in the evening fog, lighted from below by the golden hue of powerful lamps. Still standing are the crenellated walls, arched entries, slender guardhouses and massive keeps, towers, dungeons, cisterns, churches and palaces.

Six and seven hundred years after defying waves of invaders, there are dozens of castles remaining in remarkably good shape or carefully restored. Not until 1297, when the kingdom was solidly established more or less along its present boundaries, did Portugal's castles come to embody a virtually sacred role. They still do, combining religion, history and patriotism into a profound sense of national identity.

The steep, cobbled streets, houses of gray granite blocks and gigantic weathered boulders of Monsanto's castle — Mons Sanctus, as it was called — is where such history begins. Not for nothing did the government name it Portugal's "most typical village" as long ago as 1939. In any other country, the honor would have brought instant ruin: souvenir shops and sidewalk vendors, clamoring guides and bad restaurants.

**BLESSED SOLITUDE**  
Yet, Monsanto has but one café, where the chief sport seems to be sipping the terrific espresso while watching tourists scrape their fenders on the narrow stone walls as they try to climb the corkscrew turns into the castle — after missing the sign (if there was one) that warns drivers to park below and walk.

Most of the 2,100 villagers live outside the walls. Inside, there are no guides, no restaurants, almost no rooms to rent and one hotel, a comfortable 10-room government-owned *pousada*, part of the extensive and luxurious national hotel chain in historic buildings.

Monsanto's castle walls, carved out of the same living quarry that shaped the town, look as if they had grown out of the ground: huge craggy rocks and weathered boulders big as a whale's back or small as a hippopotamus. From a height of 2,500 feet, the village looms over a vast plain of corn and plantations

of cork oaks and olive trees. Climbing to the summit along a twisting path bordered by mottled green lichens and ferns, we suddenly came upon a pair of pigs in a grassy enclosure curiously venturing from a round stone hut that may have housed animals since Roman times. The fiercely protective castle now suggests an image of domesticity and impenetrable grandeur.

Our next stop, Castelo de Vide, is about 135 kilometers (85 miles) away, in a loop to the south. It is just west of the Spanish border and displays a cheerful architectural harmony of whitewashed houses on narrow streets. Doorways are filled with plants and potted flowers, and the town's beautifully proportioned main square is lined with small shops and two-story buildings.

Not much remains of Castelo de Vide's 14th-century castle, except five impressive towers and the massive, rambling walls that enclose part of the town and hug the landscape. A prosperous agricultural town that once had the largest Jewish population in Portugal, Castelo de Vide seems unchanged from centuries past. Even the stone pillory post in front of the medieval town hall (virtually every Portuguese town has a carved *pelourinho* topped by protruding arms of wrought iron from which the accused was whipped and tortured, frequently as a precursor to death by hanging) does its part to preserve symbolically a sense of Portugal's strong traditional values, if not the punishment that enforces them.

**N**OTHING has changed here for 800 years," said Joao Miguel Goncalves Maro, a 30-year-old pilot who trained in Dallas, now lives in Lisbon and is visiting his grandfather, an 86-year-old man sharing drinks with his friends at a small and crowded café just off the square. "On Fridays, the farmers still come to town to shop for the week and meet their friends. Weekends, it's empty." Of the young people, he says that about half remain in town and marry; the rest leave for Lisbon, as he did, or seek work elsewhere in Europe.

A few blocks away in the medieval quarter — down flights of steps from a small room that was a 13th-century synagogue — is the town fountain. With its pyramidal stone roof supported by six small marble pillars, it is said to be the oldest fountain in Portugal. The mineral waters here made it famous as a medieval spa. Has anything changed? Not that one can see. The water still splashes softly in the base of the fountain, then silently drains under the edge of a tiny plaza that slopes up like a scallop shell to a rim of ancient houses with carved stone window frames and Gothic doorways.

Marvao, just a few miles away, is a 12th-century time capsule. The castle, built into the rock, encloses an entire village of about 250 people. Perched on a craggy platform 2,700 feet above the valley floor are dazzling white houses with small iron balconies, the church of Espirito Santo, a primary school, a fascinating small museum of local lore, a gracious *pousada*, a few shops, cafés, and rooms to rent. Cobble streets wind mysteriously or end abruptly.

It is an amazing place, magical, unblemished and yet quite real, a curious outpost of history that goes back to the Iron Age. Walking through the maze of castle courtyards and towering walls, you can see a number of small, locked wooden doors. Suddenly, a door opens to our touch. There is even a light switch in the stone wall on the right. The light on, you see an enormous cistern carved from the castle rock and lighted by bulbs in the low, arched ceiling. The water is fed by runoffs carved in the stone floors of the courtyard. You can not see either end of the cistern. It is estimated to hold a six-month supply of water — long enough to survive your average serious siege.

About 75 kilometers south of Marvao (also just a hop from the Spanish border), is Elvas, a virtual museum of for-



ification, but on a grand scale compared to Marvao. A modern, bustling small city of 18,000 people, Elvas is enclosed by some of the most elaborate battlements in Europe — moats, drawbridges, iron gates and four star-shaped bastions whose great walls rise majestically from the plains below.

Traffic zooms around the octagonal 16th-century Church of Our Lady of Consolation, past the pillory post on the edge of the well-preserved Arab quarter, and down to the main plaza, paved with white, gray and black stones in a pattern of Renaissance cubes. No city planner or private developer even imagines ripping down a block for new housing, a shopping mall or a new industrial district. The stores may have plate glass windows, but water still runs to the fountain in Largo da Misericordia along the topmost tier of arches of an aqueduct more than six kilometers long that took more than 100 years to finish. That was in 1622.

Leaving Elvas, the flat curving road suddenly ascends to the arched gate to the 13th-century castle village of Monsaraz. Along the road are fields and groves littered with some of Europe's richest neolithic finds, including a circle of 50 boulders surrounding a towering seven-ton phallic-shaped stone, tombs of huge rock slabs and a profusion of dolmens, menhirs and other megaliths put in place five and six thousand years ago.

**A VAST OUTDOOR MUSEUM** Only in Portugal can a vast outdoor museum of the earliest human habitation make a medieval fortress seem almost modern. Not until 1167 were the Moors of Monsaraz defeated by Genardo the Fearless, but the castle he conquered had been a Roman stronghold, too. The amphitheater for Portuguese bullfighting was the stage for Roman dance and drama. Walking along the rows of stone seats open to the neolithic vista beyond is like having a ringside ticket to 50 centuries of history.

Within the walls of Monsaraz live about 90 people, and outside, at the foot of the walls, about 150 more. The two main streets are still paved with slivers of shale, three horizontal rows alternating with three vertical rows. You can walk around the village, a tableau of white-washed houses, orange trees, a domed church and the dilapidated House of the Inquisition, in half an hour, but that would be a mistake. The handful of small shops that sell objects of cork (statues, boxes, bottles), pottery or textiles are inviting.

The restrained proprietors, mostly women, wait behind the counters of the shops we visit, ready to help but hoping that we will discover for ourselves the appeal of a carved wooden candlestick or the intricate patterns of an embroidered shawl — all handmade in Portugal and many in the region.

Such resistance to commercialization, along with a gentle sense of ceremony and a deep feeling for the land and its traditions, have miraculously preserved Portugal's walled towns and villages — so far.



The aqueduct at Elvas, top, which is more than six kilometers long, and two views of the 13th-century hilltop village of Monsaraz.

## Gods And Art In Bahia A Monument To Brazil's African Links

By Jon Pareles  
New York Times Service

**S**ALVADOR, Brazil — A century ago, the African-rooted religion of Candomble was an unspoken secret in Bahia and its capital, Salvador.

Today, the former mystery is a matter of public pride, and now it has its own monument. Eight towering statues of orixas, the deities of Candomble, were dedicated in April in the Dique do Tororo, a lake in the center of central Salvador.

The statues, by the sculptor Tani Moreno, are more than 22 feet (6.5 meters) tall and weigh 2 tons each. By night, they are illuminated and appear to float above the water in a circle as if they are dancing, around a lighted fountain.

They are monuments to Brazil's African heritage, which remains strongest in the state of Bahia.

Candomble is the Brazilian relative of voodoo in Haiti and santeria in the Spanish-speaking Caribbean. The tradition is a New World resurgence of a Yoruba religion that arrived with African slaves.

When Salvador, with its superb natural harbor, was Brazil's capital and major trading center under the Portuguese empire, Brazil was the largest importer of slaves in the Americas. Descendants of those slaves make Bahia the state with Brazil's highest percentage of African-Brazilians.

**POWER OF ORIXAS** The orixas of Candomble are worshiped as powerful, capricious beings, each with its own constellation of attributes. They are associated with natural phenomena, with colors, with occupations and with days of the week.

In Candomble ceremonies, drumming and chanting help carry believers into a trance where they are taken over by the spirit of an orixa. The rhythms and the tradition of drumming have filtered into Brazilian popular music.

Colonial overseers tried to stamp out Candomble, which survived, in part, by continuing to worship the African deities in the guise of Christian saints. The Virgin Mary, for instance, is equated with Iemanjá, the goddess of the sea, who also wears white; the aged Omoju is matched to Lazarus.

**UBIQUITOUS CEREMONIES**

Earlier this century, the police still raided Candomble ceremonies, and until 1976, Candomble celebrants were required to obtain permits from the police vice squad. Yet today, Salvador is estimated to have at least twice as many Candomble houses as it does churches, and it has churches everywhere. In a country that is 90 percent Roman Catholic, many of the faithful attend both Candomble ceremonies and Catholic Mass.

Candomble believers long ago designated the Dique do Tororo, a sacred site for Oxum, the goddess who rules lakes.

On a secular level, the lake has lately been reclaimed by the city from years of pollution and neglect. The orixa statues are part of a rehabilitation that includes new plantings and playgrounds around the lake's perimeter.

From the shore, the orixas look like women in long wigwam-sized skirts; actually, they are male and female deities wearing African robes. It's well worth taking along binoculars to see them more clearly.

Made of fiberglass resin over conical iron frames, with elaborately textured robes and crowns painted in their traditional colors, the orixas carry the symbols of their godhood.

Xango, the deity of fire, thunder and drums, holds a two-bladed axe, and Ogum, the patron of people who work with their hands, carries a carpenter's saw, hammer and drill. The orixas' faces are black, brown and tan, and their features are African, Indian and European, reflecting the mixture of worshippers that Moreno sees at Candomble services.

**A**S a combination of public and religious art, the orixas involved a certain amount of diplomacy. There was a brief controversy when a Protestant evangelical church, which had planned to acquire a building on the lake shore, objected to the prospect of having African deities on its doorstep. Eventually, the church decided to move.

Now, eight orixas command the lake: four remaining deities in the pantheon, whose attributes prevent them from living on the water, have been built to stand in other sites around Salvador, still to be chosen.

For the exact arrangement of the orixas in the lake, Moreno consulted the many Candomble houses nearby, and knowing the lore of the orixas, he was cautious.

"Some of them simply shouldn't be next to each other," he said. "If they are, they will fight."

## A Cerebral Summertime Aspen Is Drawing Them In

By James Brooke  
New York Times Service

**A**SPEN, Colorado — Coloradans sometimes feel they need a visa to visit Aspen. But behind the intimidating buzz of celebrities and high prices, Aspen is a magical town where the beauty of the Elk Mountains combines with an ever more stimulating cultural life.

Long known for winter sports, Aspen now reports its highest hotel occupancy in August. Highlighting its increasingly cerebral image, a survey by the Aspen Chamber Resort Association of last summer's visitors found that half came for cultural events and only one-fifth for outdoor recreation. It also found that the average household income of visitors was \$131,000. But with almost two hotel beds (9,200) for each of its 5,600 residents, it is possible to manage a stay on a moderate budget.

A key to enjoying this eminently walkable town is to leave your car behind. Parking is rare and expensive. Visitors who arrive by air can take a van to town — free from the airport, or \$81 from Denver's airport, four hours away. Visitors arriving by car can park free at the Aspen airport and take the

15-minute bus ride into town.

The largest cultural draw of the summer is the Aspen Music Festival, which draws as many as 1,700 people to concerts under a blue-and-white tent set up across from Harris Concert Hall, with seating inside and free, on the lawn. The festival began this week with the Starling Chamber Orchestra performing Britten and Puccini, and finishes Aug. 16 with a Prokofiev performance. Tickets are \$8 to \$50. Information: (970) 925-3254. Tickets: (970) 925-9042.

In July and early August, the students of the festival's school also perform at the Wheeler Opera House, a beautifully restored 1889 building. This season's offerings are Verdi's "Falstaff" (July 9, 11, 13 and 15), Mark-Anthony Turnage's "Greek" (July 23 and 25) and Carlisle Floyd's "Susannah" (Aug. 4, 5, 7 and 8). Tickets, \$17 (for "Greek"), \$24 and \$48; (970) 925-9042.

The mountains here are accessible to all — on an easygoing gondola ride to the 11,212-foot-high summit of Aspen Mountain, a moderately challenging bicycle ride down a secluded path or a crashing raft ride down the Roaring Fork River. On busy summer week-

ends, the Silver Queen Gondola carries 2,000 people a day to the summit. It runs daily 10 A.M. to 4 P.M. At the top, there are free, 45-minute guided nature walks daily, on the hour from 11 A.M. to 3 P.M., June 15 to Sept. 7. Gondola prices range from free for children 6 and under to \$18 for adults on weekends. For information, call (800) 525-6200.

**HITTING THE RAPIDS** Rafting is a fast-growing recreation sport. Among the companies in the area are Inland Drifters, (970) 963-7438, which charges \$45 a person a half day or \$75 for a full day, and runs class 1 through class 4 rapids (6 is the most difficult), and Blazing Adventures, (800) 282-7238, which charges \$65 to \$78 for class 1 through 5.

Children might enjoy exploring Ashcroft, a semirestored ghost town on Castle Creek Road, 30 minutes from downtown. The Aspen Historical Society gives free tours at 11 A.M., 1 and 3 P.M. every day but Monday. On rainy days, tours of Aspen's two silver mines, Smuggler and Compromise, offer instructive insights into the city's origins (but children must be 5 or older). At Smuggler, admission is \$20,

\$15 ages 5 to 12. The Compromise tour, offered only on Saturday after July 11, involves a Jeep ride to the mine, then a rail ride into Aspen mountain. Fee: \$30 and \$20. Reservations required: (970) 925-2049.

Among Aspen's several luxury hotels, two Victorian red-brick standouts are on Main Street, the Jerome at 330 East Main, and the Sardy House at 128 East Main. Built in 1889, at the height of the silver boom, the Jerome boasted the first elevator west of the Mississippi. Painstakingly restored a decade ago, this central Aspen landmark is one of 16 city buildings listed on the National Register of Historic Places. For a night in one of its 93 hotel rooms, the Jerome's nightly charges vary in the summer from \$295 to as much as \$1,190, for a suite; (800) 331-7213, fax (970) 925-2784.

Sardy House is two blocks down Main Street, half-hidden by towering pines. This quiet Victorian gem of 20 well-appointed rooms has a small heated swimming pool in the garden. Summer room rates, including breakfast, vary from \$180 to \$440; (970) 920-2525.

For a resortlike setting in town, the Aspen Institute has 98 guest rooms and

suites on its 40-acre riverfront campus on the west end of town. Guests can use the institute's six tennis courts, gymnasium and outdoor lap pool, and have golf privileges at the Snowmass Lodge and Club. Summer room rates are \$195 to \$395; (970) 925-1240.

The city's nearly 100 restaurants have spruced up their summer menus and honed their service in anticipation of the Food and Wine Magazine Classic, taking place this weekend. Among them is Pinons, 105 South Mill Street, where entrees include sauteed Colorado pheasant breast and elk tenderloin. Dinner for two, with wine, is about \$120; (970) 920-2021.

A midpriced standout is Campo di Fiori, 205 South Mill Street, an earthy grotto with well-prepared Northern Italian dishes, a strong Italian wine list and rapid-fire service. Open for dinner daily. Dinner for two with wine costs about \$80; (970) 920-7717.

After serving surprisingly good cabaret food, the waiters and waitresses at the Crystal Palace, 300 East Hyman Avenue, transform themselves into a hilarious satirical revue. Dinner and one-hour show are offered Thursday through Saturday for \$49.50 a person. For reservations, call (970) 925-1455.

Weights Vote  
nk Pullback

Policy Can Be a Guide

1-4-86 Captain  
Returns to Croatia



## THE CAR COLUMN

## Volvo Rebels With C70 Coupé

By Gavin Green

**J**UST when we had begun to wonder whether Volvo really had gone mad, along came the C70 coupé to confirm it.

Those sensible Swedes, exemplars at building reassuring sedans and wagons for the world's most timid drivers — the nearest things to motorized womb — had launched a hurtfully potent 250 kph two-door flier. Hang the safe and sensible stuff!

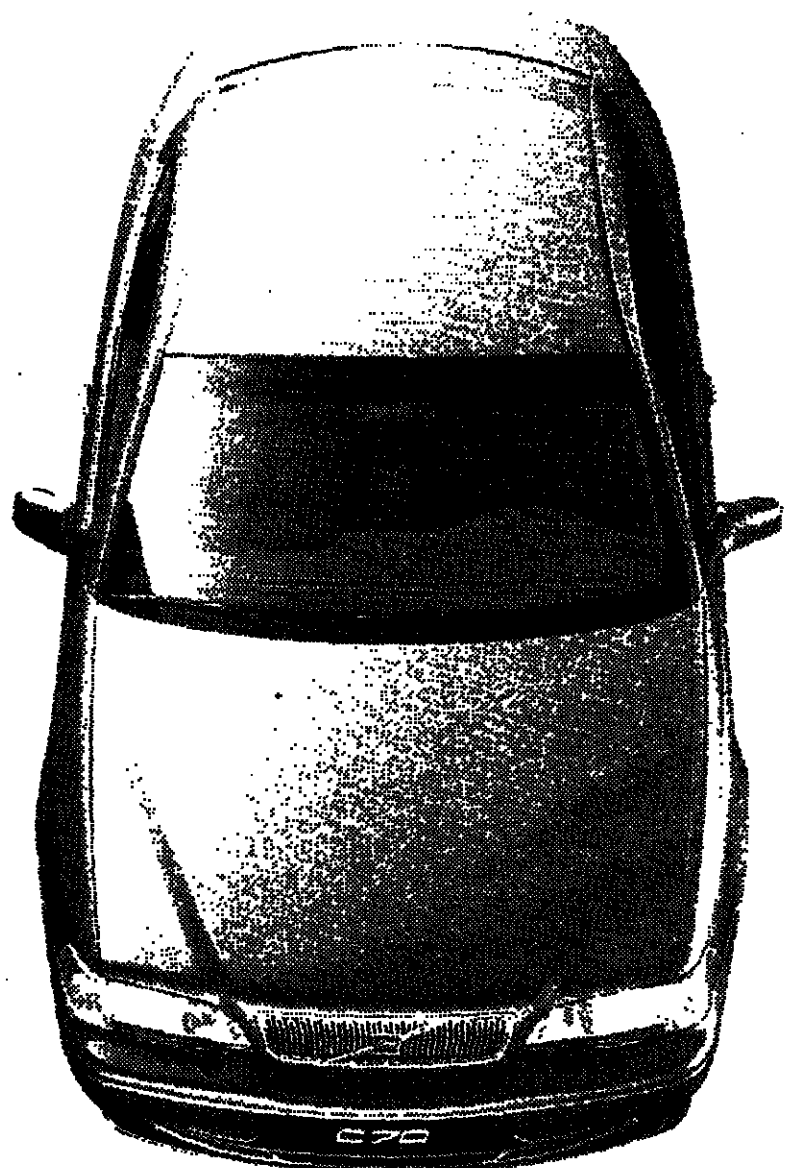
There had been signs of rebellion before, of course. Perhaps the most obvious was the decision to race a station wagon in Europe's most competitive touring car series — the British Touring Car Championship. And then came a stream of high-speed turbocharged models, all based on the normal, wholesome Volvo sedans. Volvo just wasn't supposed to be doing that sort of thing.

But it did, and it plans to keep on rebelling. The C70, a handsome, high-speed antidote to much of what Volvo has represented for 20 years, is the most obvious expression of Volvo's desire to ditch the sensible-shoes image and break into the more fashionable, image-conscious world dominated by BMW, Mercedes and, more recently, Audi.

Most makers actually build safe, moderately sensible cars nowadays, reasoned Volvo's New Guard. But they don't look like shrunken motor-homes. Style sells. Keep making them safe, but make them sexy too. And really to drive home the sex appeal bit, let's launch some "image enhancers" (as the marketing folk put it) to win publicity. That's where the C70 fits in.

The new 2.5T version looks as good as its wild brother, the T5 — which continues in production — but has learned some manners. Power is reduced and, when it comes in, it does so with a gentle firmness rather than an unruly shove. There are now various intensities of power, as you work the accelerator, rather than just an on-off switch. The ride quality has been improved, too. The suspension is softer, which makes for slightly less grip on a racing circuit, but allows for much more suppleness when traversing the broken roads of our overused streets.

The dashboard and door sculpture are the same as the S70 sedan and V70 wagon models, whose floor pan and



basic suspension the C70 also shares, although there are generous portions of leather and wood to justify the luxury car price tag. It is a restful, classy place to spend time, even for the backseaters, for the C70 is unusual for a coupé in being a genuine four-seater.

## TURBO DIFFERENCE

The engines are also based on normal S70/V70 ware, in this case the top-range five-cylinder engine. The major difference is the turbocharging, to boost performance. It is a gutsy engine, with the added distinction of having an unusual, guttural growl, thanks to the strange five-cylinder configuration.

In some ways, though, it is very much mainstream Volvo. The Swedes certainly aren't throwing away their renowned prowess in safety, and the C70 features all sorts of protective armor, ranging from large

crumple zones, seat belt pretensioners, front driver's airbag, side impact protection beams and side airbags. It is very likely the safest sports car ever made, although the omission — in most European markets — of a passenger airbag as standard is as surprising as it is disappointing.

Build quality is also superb, better than any other Volvo of my experience and absolutely up to top German (meaning Mercedes) levels.

This latest variant of the C70 is as much about luxury as speed, as much about refined cruising as blurring at high speed across Europe. Its genuine four-seat accommodation gives it further credibility as a sensible choice for sober people, as does its superb 10-speaker stereo, one of the very best fitted to cars.

There is clearly a method in Volvo's madness. There are those in the car industry — among them the boss of

Volkswagen, Ferdinand Piech — who reckon that Volvo's jump into the sports sector is daft, spiking all the carefully crafted "safety first" image the company has nurtured for so long. But the Swedes are not renowned for their irrationality. They point out, with some justification, that they still offer sensible-shoes models. The difference is that, instead of offering only cars that assuage fears, they now have some that incite passion.

• Volvo C70 2.5T. About \$50,000. Two-door, four-seat coupé. Five-cylinder, 20-valve turbocharged engine: 2435cc, 193bhp at 5,100 rpm. Five-speed manual transmission. Top speed: 230 kph (144 mph). Acceleration: 0-100 kph in 7.8 seconds. Average fuel consumption: 10.7 liters/100 km.

Next: the Fiat Seicento  
Gavin Green is editor in chief of Car magazine.

## THE FREQUENT TRAVELER

## Staying at Home on the Road

By Roger Collis  
International Herald Tribune

**W**HAT makes an ideal hotel stay? It depends on the purpose of your trip. Are you buying or selling? Are you on your own for two nights with wall-to-wall appointments or traveling with colleagues? Are you hoping to combine business with pleasure? Do you need high-tech business facilities, a health club or suite for a power breakfast? Do you want a home away from home or, to paraphrase Le Corbusier, simply a machine for staying in? Deciding where to stay is a complex equation of cost, convenience and comfort. But next time you need a hotel — especially for two or three nights or more — consider the apartment alternative: a studio or one-bedroom apartment in a custom-built property with twice the space for up to half the price of a standard double room in a hotel of the same quality. The trade-off: Don't expect a fancy lobby, restaurants, concierge, a host of bellhops, around-the-clock room service and other trappings of a traditional hotel, which you always pay for but may seldom use.

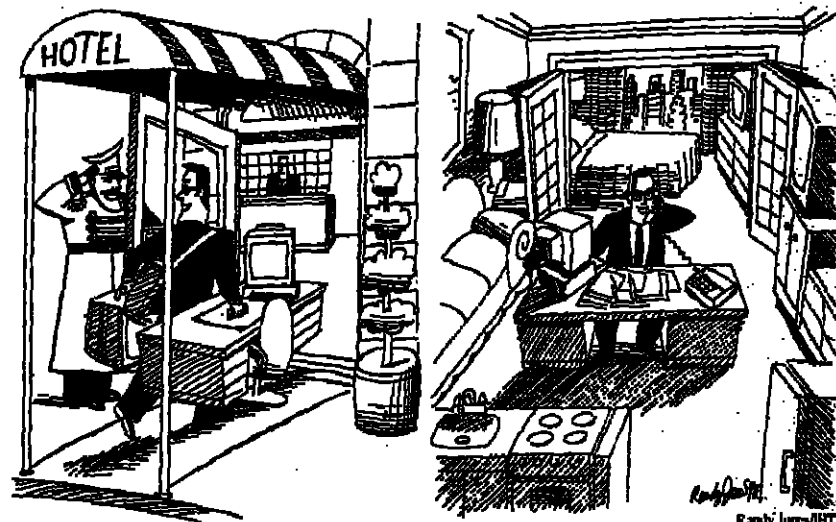
Apartments are a fast-growing sector of the lodging industry, says Charles McCrow, managing director of The Apartment Service, a marketing and reservations company, in London. "But there's a lot of confusion," he says. "We call the category serviced apartments, 'apart-hotels' or apartment suites; in the United States, where the concept began, they're called all-suite hotels or extended-stay hotels. But their idea is not our idea because 90 percent have kitchenettes, whereas the Conrad Chelsea Harbour in London is an all-suite hotel but doesn't have cooking facilities. In the States they reckon that the all-suite market will grow to about 30 percent of hotel space: It's good value for travelers and more profitable for operators."

"But travelers should be wary about hotels with apartments attached, which quite often charge the same prices as regular suites, because they're going to be paying for the hotel services as well. Serviced apartments should be less expensive than a hotel room, not twice the price."

## RANGE OF APARTMENTS

Apartments range from studios — one room serving as bedroom and lounge, typically with a sofa-bed — to one- to three-bedroom apartments with a separate lounge and en suite bathrooms, equipped with direct line phone and fax and cable and satellite TV. The kitchen will normally contain a cooker-microwave, refrigerator and freezer and perhaps a dishwasher, so that you can bring in your own food and drink. Maid service is usually once a week; you pay extra for daily cleaning. Most apartments have 24-hour reception.

Extended-stay hotels are enjoying a boom in the United States, with about 20 brands in the sector. Hotels magazine



says that as many as 25 percent of guests staying in conventional hotels would be willing to stay in an extended-stay hotel if they could find one. Extended Stay America, with more than 200 properties, is a lower-priced, fewer-frills alternative to Residence by Marriott, which pioneered the sector in the early 1990s. Homestead Village plans to build 40 to 50 properties a year for the next three years. And Villager Lodge, a budget brand with weekly rates from \$175 to \$225, aims to have 150 Villager properties nationwide by the end of 1998.

Staybridge Suites by Holiday Inn, which plans to open its first extended-stay hotel, in Georgia, in the fall, expects to have 250 properties worldwide by 2003, with around 50 in Europe, the Middle East and Africa.

The two major apartment chains in Europe are French companies, Orion (18 three-star properties in Paris, Lyon, Nice) and Citadines Aparthotels (34 three- and four-star properties in France, Barcelona, Brussels, Geneva and London), both recently acquired by Westmont Hospitality, a hotel management and real estate group in Houston.

"We're a mid-market product, like Novotel or Holiday Inn, and very flexible — you can stay for one night or one month. We're roughly the same price but with twice the space as a twin hotel room," said Jan Dijkstra, development manager for Westmont in London. "The atmosphere is a lot looser than a hotel. You have 24-hour reception, you can have breakfast, but you don't have to, we can get your groceries if you want, but you can get your own, and there are selected restaurants which will deliver meals."

You also have your own phone line with voice-mail, fax and other services, like a conference room. Prices range from 480 French francs (\$80) a night for a studio at Paris Maine Montparnasse (432 francs a night for seven days) to 955 francs a night at the Citadines property on Gloucester Road, London.

**T**HE best sources for serviced apartments are tourist authorities and travel agents. But a useful guide is the Worldwide Guide to Serviced Apartments 1998, published by Apartment Service; tel: (44-181) 944-1444.

Here you will find listed apartments such as a studio for two at Apartamentos GranVia 65 in Madrid, near the Royal Palace, for 16,000 to 20,000 pesetas (\$105 to \$131) a night and 91,000 to 105,000 pesetas a week, with microwave, satellite TV and daily maid; or Art Hotels Hamamatsucho in the heart of Tokyo with 120 studios from 14,800 yen (\$102) a night, with breakfast.

The Shangri-La Singapore offers 127 one- to three-bedroom serviced apartments within the hotel complex. You have the run of the hotel facilities (including the health club and business center) plus a fully-equipped kitchen, daily maid service, food and beverage delivery. The minimum stay is one month, but shorter stays are negotiable. The monthly rate for a "deluxe" one-bedroom apartment of 7,500 Singapore dollars (\$4,300) compares with 10,900 dollars for the cheapest "deluxe" single room and 42,000 dollars for a one-bedroom suite for the same period.

There are more than 30 blocks of serviced apartments in Singapore, including Orchard Park Suites, The Ascott, Le Grove, Darby Park, Great World, Fraser Place, Park Avenue Suites and Palm Court. Singapore's supply of serviced apartments is expected to double in the next two and half years, Richard Ellis property consultant firm said.

## CROSSWORD

## ACROSS

- 1 Victoria's Secret offering
- 4 Lolly verse
- 8 Mexican pilgrim
- 12 Staff break?
- 15 Deli side
- 16 Glacé
- 17 Accepting bribes
- 19 Star bursts
- 20 Sallinger title character
- 21 Double
- 23 Successful
- 25 Words after "under" or "down to"

## DOWN

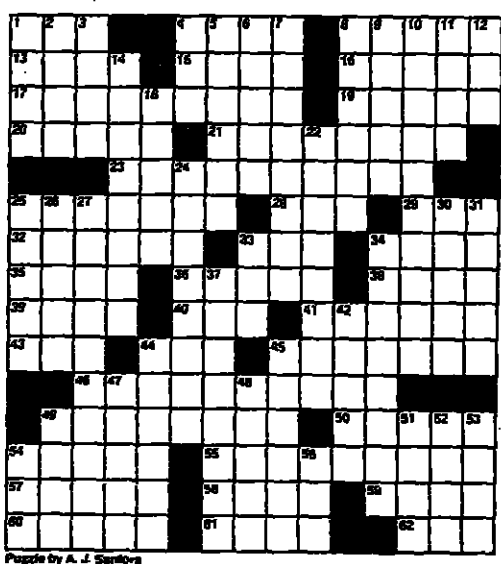
- 2 Barney on "The Simpsons," for one
- 3 Magazine; Abbr.
- 22 Having more hoarfrost
- 33 Ben
- 34 — speak
- 35 Annual contribution sties, for short
- 36 Bunting
- 38 In a bit
- 39 County on the Strait of Dover
- 40 Cowboy sobriquet
- 41 W.W. II battle stoll

## ACROSS

- 43 Procter & Gamble detergent
- 44 Twaddle
- 46 Loving mother, at times
- 48 What it takes, they say
- 49 Like some specially-prepared foods
- 50 Content of some boxes
- 54 Part of LED
- 56 Twin
- 57 High note to low
- 58 "La Scala di" (Rossini opera)
- 59 Lead
- 60 Big Bertha's birthplace
- 61 Dept. store inventory
- 62 Good feller

## DOWN

- 9 Flip (choose, in a way)
- 10 Used in worship
- 11 San
- 12 Velocity mess
- 14 Checker moves
- 18 High nest: Var.
- 22 Avoids picks weight unit
- 24 Bug
- 25 Early mode of transportation
- 26 Personnel person
- 27 Scents, e.g.
- 30 Little Eve's creator
- 31 Salvager's system
- 33 Whammy
- 34 Like a wisecrack
- 37 It's relatively helpful
- 42 Worry
- 44 Irish hooch
- 46 Sides
- 47 Kind of heel
- 48 Flowed to and in
- 49 Cape of Good Hope discoverer
- 51 Pauley Pavilion team
- 52 Imitation
- 53 Make tracks
- 54 Reppung Dr.
- 56 "... we fear" — evil — Burns



Puzzle by A. J. Sattler

## Solution to Puzzle of June 18

ABINO NUMB ISEE  
GOMER EZIO OMAN  
EXHAUSTING DUST  
ELIOT GLIDER  
FOR DYLAN SINGLE  
OPEN ESE GESE  
PUNISH TATA  
STATECAPITALS  
AMOI PETULA  
ACTOR NINA BEON  
DRYDIVERSE KEY  
LAREDO JTCMY  
INAN BASSALEMAN  
SING EXIT ARABY  
SATE LENA TENSE

## DOWN

- 1 Tho's real name
- 2 Western city named for a Civil War general
- 3 Memo start
- 4 Contractor's fig.
- 5 Film about teeth
- 6 Plumber's filler
- 7 Cleans, in a way
- 8 Imply

## RECORDINGS

## From North African to Blues

• **LEE KONITZ** "Motion" (Verve, 3 CDs): A reissue from 1961: Hall of Fame level. Floating, flourishing swing projected across the bar lines, always flirting with (mostly familiar) melodies. Konitz is one of the few major alto saxophonists of his generation (he's 71 years old) who does not sound like Charlie Parker. Here there are neither other soloists nor chords to clutter up his franchise sound. Features Sonny Dallas on bass and Nick Stabulas or Elvin Jones on drums.

• **ANOUAR BRAHME** "Thimar" (ECM): A Tunisian oud player is joined by two sensitive English virtuosos — John Surman on reeds and Dave Holland on bass — to play thoughtfully spiced North African flavored lines. Chamber music like you have, literally, never heard before. It might be called "Morning in Tunisia."

• **CHARLES BROWN** "So Goes Love" (Verve/Gitanes Jazz): Sound paintings in blue, vocal and instrumental textures blend into dependably focused landscapes. No shouters, Brown's crafted blues preserve the human dimension of what has become an increasingly hysterical, cliché-ridden and/or popped-up form. Features the former Tom Waits tenorman Teddy Edwards.

• **JOHN MCLAUGHLIN** "My Goal's Beyond" (Douglas): This reissue of a seminal session — called a forerunner of world music — from 1971 includes flute, violin, sitar, guitar and tabla. Low-decibel, unamplified, percussion-fed collective improvisations: a spiritual mix of Western and Indian music closer to Ravi Shankar than Miles Davis or Jimi Hendrix.



Mike Zwerin/IHT Charles Brown has released "So Goes Love."

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# SUMMER IN NEW YORK

## SWEET AND SHARP, THE BIG APPLE STRUTS ITS STUFF

This summer, New York is celebrating its 100th anniversary as a consolidated metropolis.

From the Bronx to the Battery, the Big Apple is shining as never before with renewed energy, confidence and clout. Visitors have been flocking to it in record numbers, but this summer is shaping up as particularly promising.

**Out and about**  
When the sun shines, so does the city. Sports fans can cheer on the Mets at Shea Stadium or the Yankees in Yankee Stadium, the nation's most venerable baseball park. Next door to Shea in the Queens neighborhood of Flushing is the Arthur Ashe Stadium, where the U.S. Open will take place in late August.

In Central Park, the Metropolitan Opera and New York Philharmonic give free concerts, complete with fireworks; the open-air concerts have become occasions for impromptu picnics, with hundreds of thousands of New Yorkers spreading blankets and feasting. Bryant Park, just in back of the New York Public Library's stately main branch on 42nd Street, has been restored by the city

to its former glory, complete with coffee bar, a discount-tickets booth for non-Broadway performances and a restaurant that has become the favored destination of young professionals.

Farther west on 42nd Street, visitors who knew "the Deuce" only as home to burlesque dives and dank bars will have to rub their eyes. The much-ballyhooed "Disneyfication" of 42nd Street has made it a family-friendly theme park, anchored by Disney's faithful restoration of the gorgeous New Amsterdam Theater, where "The Lion King" looks to be ensconced for at least nine lives, and by Livent Entertainment's equally fastidious restoration of the Ford Theater, currently home to "Ragtime."

**Grand Central for the arts**  
Every well-known dance company, major orchestra, opera troupe and experimental theater group comes here to attempt to pass muster with critics and a notoriously demanding public. Lincoln Center brings together dozens



Central Park, New York's great communal backyard.

of productions under the banner of its annual International Festival. In the fine arts, New York's many world-class museums are presenting comprehensive retrospectives of major artists.

New York is so multifaceted that a list of all the activities available this summer would require a book.

Fortunately, there is one: "The Big Apple Travel Planning Guide," put out by the New York Convention & Visitor's Bureau, 600 Third Avenue, New York, NY 10016. The bureau operates a Travel Professionals Service Center, accessible outside the United States by calling (1 212) 484 1227.

## ART'S CUTTING EDGE IS ON THE MOVE

The avant-garde art scene in New York is slowly shifting from its moorings in SoHo.

Major galleries still abound south of Houston Street, but the last year has seen a steady stream of art dealers taking space in abandoned factories, warehouses and taxicab depots west of 10th Avenue between 21st and 28th Streets in Chelsea.

The neighborhood's pioneer was the Dia Center for the Arts at 548 and 545 West 22nd Street, west of 10th Avenue, with rotating exhibits of major contemporary artists. Tel.: (212) 989 5912. Just as SoHo has represented the "established" avant garde, so the Lower East Side has been the center of the more experimental fringe. As this neighborhood becomes more gentrified, the art scene has moved farther east, directly across the Williamsburg Bridge in Brooklyn.

The best place to view contemporary art in the world capital of art trends is the newly renovated and just-reopened Institute for Contemporary Art, Popularly known as P.S. 1, this former elementary school is located in an industrial area of Queens and is best reached by taking the E or F subway to 23rd Street/Ely Avenue, or the 7 train to 45th Road/Court House Square. Tel.: (718) 784 2084.

Galleries presenting more traditional artists are centered along 57th Street and northward along Madison Avenue.

Some of the major shows at museums this summer: "Matthew Brady": The photographer of the Civil War era gets his first major retrospective at the International Center for Photography Midtown through Sept. 6, 1133 Avenue of the Americas, at 43rd Street. Tel.: (212) 768 4682.

"Jewels of the Romanovs": Book ahead if you can for this comprehensive blockbuster, which gathers together gems and artwork never before seen in the United States. The Brooklyn Museum, 200 Eastern Parkway at Washington Avenue, through July 15. Tel.: (718) 638 5000.

"Chaim Soutine": The first major retrospective of the French Expressionist since his death has been rapturously received by the critics. The Jewish Museum, through Aug. 16, 1109 Fifth Avenue at 92nd Street. Tel.: (212) 423 3200.

"Edward Burne-Jones": This first comprehensive American show is inspiring a reassessment of this Victorian artist. The Metropolitan Museum of Art, through Sept. 6, 1000 Fifth Avenue at 82nd Street. Tel.: (212) 535 7710.

"Pierre Bonnard": A retrospective of one of the founders of the Nabi movement, to Oct. 13. The Museum of Modern Art, 11 West 53rd Street between Fifth Avenue and Avenue of the Americas. Tel.: (212) 708 9480.

## WHERE TO HANG YOUR HAT

Anyone visiting New York this summer should book as far ahead as possible. Within the United States, the city's visitors bureau runs a Peak Season Hotel Hot Line at (800) 646 7666 for reservations at more than 80 city hotels.

• **SoHo Grand Hotel**: Tel.: (212) 985 3114. The first new hotel built in SoHo in at least 50 years offers the kind of chic, spare rooms found at the Mark and Paramount in Midtown.

• **The Washington Square Hotel**: Tel.: (212) 777 9515. This charming, inexpensive boutique hotel near the historic heart of Greenwich Village is housed in a landmark building.

• **The Chelsea Savoy Hotel**: Tel.: (212) 929 9353. Just down the street from the landmark Chelsea Hotel is a spanking new hotel that is spiffier than its raffish neighbor.

• **The Excelsior**: Tel.: (212) 362 9200. Overlooking the Museum of Natural History, this large hotel is in the heart of the Upper West Side. Low rates and comfortable rooms.

• **The Beacon Hotel**: Tel.: (212) 787 1100. Also on the Upper West Side, this hotel offers clean rooms at a highly affordable price.

• **Hotel Plaza Athénée**: Tel.: (212) 734 9100. A deluxe European-style hotel, complete with all amenities, located in East Midtown, convenient to Bloomingdale's.

• **Gramercy Park Hotel**: Tel.: (212) 475 4320. Gramercy Park is a little-known jewel, New York's only private park. This hotel, within walking distance of the Flatiron District, is favored by visiting celebrities.

• **The Flatiron International**: Tel.: (212) 887 9400. New York's largest suites feature kitchens and whirlpool baths in Midtown, next to Rockefeller Center, at reasonable rates.

• **The Mark Hotel**: Tel.: (212) 744 4300. In the heart of the Madison Avenue art gallery and boutique district is this ultra-fashionable Upper East Side casual luxury hotel.

• **The Salisbury Hotel**: Tel.: (212) 246 1300. Rooms and suits in West Midtown, practically next door to Carnegie Hall. Probably the most affordable hotel in the area.

• **Manhattan East Side Hotels/Sunny Hotel**: Tel.: (212) 288 3700. Suites cheaper than rooms on the Upper East Side — great bargains, with the amenities of luxury suites.

## BIVOUACS FOR ARMIES OF THE NIGHT

New York seems to have more nightlife than any other city in the world.

There's more to do in New York, and more variety, than almost anywhere else. The action generally begins late (after 11 P.M.) and ends late (after-hour clubs can go on into the afternoon of the next day). There's action for every taste, as this sampling, from the most glamorous to the underground, attests:

• **Rainbow & Stars**: This Art Deco landmark and its sister venue, the Rainbow Room, seem to float above the city, high atop Rockefeller Center. This is New York's most glamorous cabaret, with dancing and world-class singers. 30 Rockefeller Plaza, 65th Floor. Tel.: (212) 632 5000.

• **Cafe Carlyle**: Bobby Short, the embodiment of Manhattan sophistication and the supreme interpreter of Cole Porter, has long ruled this gorgeous club inside the Carlyle Hotel, 35 East 76th Street, corner of Madison Avenue. Tel.: (212) 570 7189.

• **The Oak Room**: The

Algonquin Hotel's new owners recently spiffed up this landmark, but it remains a dress-up showplace with grown-up entertainment, featuring up-and-comers as well as veteran cabaret stars. 59 West 44th Street between Fifth and Sixth Avenues. Tel.: (212) 840 6800.

• **The Supper Club**: As the name implies, it emulates '50s nightclubs like El Morocco and the Copa. Entertainment changes nightly or weekly; dancing. 240 West 47th Street between Broadway and Eighth Avenue. Tel.: (212) 921 1940.

• **Decade**: This Upper East Side hangout caters to successful professionals over 35 who enjoy fine wine, dining and dancing. This is the kind of rare nightclub that

encourages cigar smoking. 1117 First Avenue at 61st Street. Tel.: (212) 644 6900.

• **Eighty-Eight's**: Greenwich Village is full of lively clubs where the waiters and patrons are aspiring Broadway performers who will grab the microphone to show off their talents. In this two-story club, singer-songwriters try out new material. 228 West 10th Street between Bleecker and Hudson Streets. Tel.: (212) 924 0088.

• **The Kit Kat Club**: After "Cabaret" ends each night, the real cabaret starts, as a legitimate theater reverts to the disco it once was. Like the Broadway show it also houses, the Kit Kat's scene is decadent, reminiscent of Weimar Berlin. 124 West

43rd Street between Broadway and Avenue of the Americas. Tel.: (212) 819 0377.

• **Twilo**: The reigning club DJ of the moment, Junior Vasquez, has been busy spinning at Paris fashion shows, producing his own recordings and working with artists like Madonna. But every Saturday night he returns to the turntables for a party that mixes Chelsea muscle boys with Japanese tourists. The real action starts very, very late, around 5 A.M. 530 West 27th Street between 10th and 11th Avenues. Tel.: (212) 268 1600.

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# Seoul Names 55 Firms Deemed Certain to Fail

## Critics Claim List Spares Major Companies

By Don Kirk  
International Herald Tribune

SEOUL — Under strong pressure from President Kim Dae Jung, South Korean authorities Thursday released a list of 55 companies that they said should be denied credit and liquidated. Analysts immediately denounced the list for its failure to include the names of scores of major companies that are also in severe financial difficulty.

Lee Hun Jai, chairman of the Financial Supervisory Commission, a watchdog agency formed after Mr. Kim's inauguration in February, was almost apologetic after he and the president of the Commercial Bank of Korea released the names at a crowded news conference.

Although 20 affiliates of the country's top five chaebol, or conglomerates, were included, Mr. Lee said that the results of the evaluation of the "Big Five" themselves "were a little unsatisfactory."

"In the end, even the president had to get involved," said David Kim, senior researcher at Indosuez W.I. Carr, "but the actual list did not contain one major company."

The question raised by the choice of relatively minor companies, many of which would have gone out of business anyway, was how quickly the government is going to move on sweeping restructuring plans promised by Mr. Kim.

Chaebol officials were reluctant to comment publicly on the move to force insolvent companies out of business, but Park Dae Shik, manager of the Federation of Korean Industries, indicated resistance to further efforts at government involvement.

"I don't think it is reasonable for the government to directly intervene in corporate matters," Mr. Park said. "I don't think this kind of announcement can solve any problem. It is just symbolic."

Noting that the commission said the 55 companies accounted for 25 percent

of corporate loans as of the end of March, Edward Campbell-Harris, director of Jardine Fleming Securities here asked, "What about the other 75 percent of loans?"

Mr. Campbell-Harris questioned whether the companies on the list would really be denied credit, as demanded by the Financial Supervisory Commission with the apparent concurrence of banks.

"We've all been waiting for this hit list," he said. "What does it mean? Do these companies close their doors?" Only 10 of the 55 companies, he noted, were listed on the Korea Stock Exchange, which suspended trading of their shares when the list was released.

Mr. Lee said the list was only "the first step of corporate restructuring" and that the Financial Supervisory Commission and creditor banks would "prepare follow-up measures for restructuring," notably "exchange of business operations" among major chaebol.

Rumors have been sweeping the business and financial community of negotiations that might lead to mergers of enormous entities.

The terms "big deal" and "swap" are commonly used in reports and commentaries in Korean to describe this kind of transaction.

According to one widespread report, the Hyundai Group, the country's largest chaebol, might agree to yield its Hyundai Petrochemical Co. to LG Petrochemical Co., an entity of the LG Group, the fourth-largest chaebol.

At the same time, LG would yield LG Semicon Co. to Samsung Electronics Co., the flagship of the Samsung Group, the second-ranking chaebol. Samsung in turn would turn over the fledgling Samsung Motor Co. to Hyundai Motor Co., the country's largest motor vehicle maker.

Bae Ji Dong, international affairs director of the Federation of Korean Industries, made up of chaebol chairmen, said "a big deal or swap will be unveiled soon."



Former President George Bush, left, being hugged by Mr. Yeltsin on Thursday in Moscow, where Mr. Bush was on a visit. Mr. Chubais, in photo on right, outlining Russia's financing needs from the IMF.



Mr. Chubais, in photo on right, outlining Russia's financing needs from the IMF.

# Asia Crisis Slams U.S. Exporters

## April Trade Gap Soars To Record \$14.5 Billion

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. trade deficit soared to a record \$14.5 billion in April, the Commerce Department reported Thursday, as the Asian financial crisis battered American exporters, pushing down sales of everything from commercial aircraft to farm products.

The April deficit was 9.5 percent higher than the March imbalance of \$13.2 billion, the previous record.

The trade deficit with Japan narrowed in April as that country's stagnant economy produced a drop in both exports and imports, while the merchandise trade gap with China widened to its biggest level in six months.

"The recession in Japan, combined with her continuing trade barriers is clearly affecting our trade picture," Commerce Secretary Richard Daley said. "In fact most of our trade deficit can be accounted for by Japan and China."

The United States had a \$5.41 billion trade deficit with Japan in April, down from \$5.76 billion in March. The April deficit last year was \$4.96 billion.

The U.S.-China merchandise trade deficit rose in April to \$4.28 billion from \$3.76 billion in March as U.S. imports of Chinese-made telephones and toys rose, while exports of foods and oilseeds to China declined. The numbers measure trade in goods alone and are not adjusted for seasonal variations.

The overall \$14.5 billion deficit was the highest since the government began tracking goods and services on a monthly basis in 1992. For goods alone, the deficit of \$12.5 billion was the highest in history.

The politically contentious trade deficit with Japan remains on track to exceed the record of \$55.686 billion set last year. For the first four months of 1998, the deficit is up 13 percent, at \$20.82 billion, compared with \$18.37 billion for the same period in 1997.

"It's clear that the deficit with Japan is going to widen over the course of this year," said Russ Sheldom, chief economist at MCM MoneyWatch. "U.S. exports are being crushed by the Asian crisis and the rise in the value of the dollar." U.S. exports to Japan fell 6 percent in April to \$4.91 billion from \$5.22 billion in March, led by drops in sales of office machinery and fish.

At the same time, imports from Japan also fell 6 percent in April to \$10.32 billion from \$10.98 billion in March. Leading the way were declining purchases of motor vehicles and electrical machinery.

Elsewhere in Asia, the U.S. trade deficit with South Korea narrowed in April to \$519 million from \$659 million in March. U.S. imports from South Korea fell 0.9 percent, to \$1.92 billion, while exports to South Korea rose 9.6 percent, to \$1.40 billion. (AP, Bloomberg)

# Russia Hopes to Raise \$15 Billion

## Moscow to Issue International Bonds and Ask IMF for More Funds

By David Hoffman  
Washington Post Service

MOSCOW — Russia announced Thursday that it would need \$10 billion to \$15 billion in new international loans to stabilize its troubled finances, making explicit that it would seek a fresh injection of money from the International Monetary Fund and would borrow on global markets.

The announcement was made by Anatoli Chubais one day after he was named by President Boris Yeltsin to be special envoy to the international financial organizations. Mr. Chubais is expected to open talks next week with a delegation from the IMF.

On Thursday, the IMF executive board postponed the scheduled release of a \$670 million installment of the

current \$9.2 billion loan to Russia. Interfax said Russian officials had objected to some conditions set by the Fund.

Mr. Chubais hinted in remarks to reporters that the differences concern IMF demands for reform of Russia's huge monopolies.

Mr. Chubais, who now heads the electricity monopoly, RAO Unified Energy Systems, said some of the IMF's terms "have lagged behind present-day life."

"The situation is extremely difficult," Mr. Chubais said about Russia's need for more loans. "Naturally, in this situation, Russia has to act actively, aggressively, and be pushy."

Russia has been caught up "in a very severe world financial crisis," he added. "We live not on the moon, but in Russia, and we must protect ourselves."

Mr. Chubais said the need for \$10 billion to \$15 billion is based on Russia's foreign-currency reserves, which have dwindled; its difficult short-term debt situation, in which interest rates have shot up on government bonds to more than 60 percent; and the continuing decline in global prices for natural resources — oil, gas and metals — which are Russia's main exports.

He said in a television interview that the money was not necessarily going to be spent, but rather would be used to calm markets, which have been battered by Russia's deficit spending and speculation about a possible ruble devaluation.

"It does not mean that the named sum — if it is obtained — will be used," Mr. Chubais said, adding that Russia needs simply to announce that the credit is in the bank.

"The fact that we have access to financial resources of the sum that I have mentioned," Mr. Chubais said, "sharply changes the behavior of investors on the financial markets. It prevents negative tendencies even if the resources are not used."

In recent weeks, Russian officials have hinted that they need additional financial resources, but on Thursday, Mr. Chubais made clear that Russia would seek the aid. At the same time, Western governments have made vague promises to provide assistance should Russia need it — but have offered nothing concrete.

Any IMF loans would come with conditions for further reform, which have not yet been worked out. The IMF has consistently sought to link its loans with progress toward reducing Russia's deficit, overhauling the archaic tax system and reforming the monopolies.

Mr. Chubais is expected to focus on these conditions in meetings starting Monday with the IMF delegation, which will include the Fund's deputy managing director, Stanley Fischer.

Finance Minister Mikhail Zadornov said the rescue package Russia was seeking "must not be smaller than \$10 billion," but might also include borrowings on international financial markets. For example, Russia floated a \$2.5 billion Eurobond on Thursday at an interest rate of 12.75 percent.

"The possible IMF aid will serve as some backbone to be buttressed with other elements of the government's program of borrowing," Mr. Zadornov said.

The finance minister predicted that the long hoped-for revival of economic growth in Russia would not occur this year.

"On the face of it, all of the developments could be interpreted as extremely positive for Russia," Martin

See RUSSIA, Page 20

# Thinking Ahead / Commentary

## The Nation State Is Still Alive and Well

By Reginald Dale  
International Herald Tribune

CERNOBBIO, Italy — Although some would write its epitaph, the nation state is alive and reasonably well. Despite the globalization of the world economy, the state still provides the main framework for political expression and the passage and enforcement of laws — not to mention the kind of patriotic fervor surrounding this month's World Cup soccer matches.

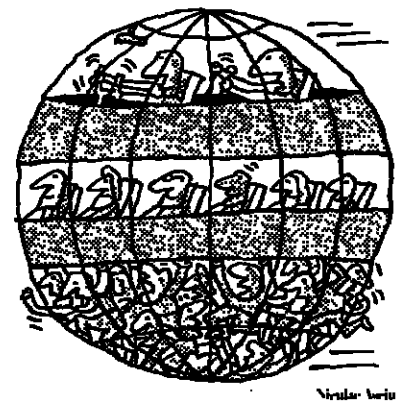
Nevertheless, there can be no denying that the freedom of individual governments to set economic policy has progressively eroded in the half century since World War II, as interdependence between nations has grown. That erosion is now accelerating.

With the dismantling of economic and financial barriers, and the rapid growth of world trade and capital flows, it is ever more obvious that one country's business is frequently everybody else's too.

That makes it easier, and more necessary, for international institutions like the World Trade Organization and the International Monetary Fund — and regional bodies like those of the European Union — to intervene in what used to be domestic affairs.

That growing intrusion into the traditional preserve of national governments was a dominant theme at a conference organized here this week by the Council for the United States and Italy, a private policy group.

The meeting was attended by leading business, political and academic representatives from the two countries. No one demurred when participants stressed the need to move further to-



economy on a genuinely global basis. The requests by China and Russia and 30 other countries to join the WTO, giving it worldwide reach, are the most striking example.

And the trend to more global governance is not just economic, as evidenced by the current negotiations in Rome to establish a permanent new international court to try crimes against humanity.

Experts at the Cernobbio conference also called for a new supranational authority to fight organized crime. It seems obvious that many modern ills such as weapons proliferation, drug-trafficking and money-laundering can only be tackled effectively through international cooperation.

Of course, we are still a very long way from world government. No country is ready for that — least of all the United States, where even the IMF and the WTO remain highly controversial. And the toughest restrictions on national governments' freedom of choice have not been imposed by the international institutions but by financial markets.

In a world where every country needs private capital to prosper, international investors have far more power than the IMF to dictate disciplined economic policies.

That does not stop national governments playing up the importance of institutions like the IMF when it suits them. They make good scapegoats when things go wrong — not least because, in the end, most people's loyalty is still to their own country. Few fans would cheer for the IMF if it fielded a team in the World Cup finals.

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# CURRENCY & INTEREST RATES

Cross Rates											
	£	DM	FF	Yen	¥	¥	¥	¥	¥		
Australian	2.2875	2.239	1.727	0.952	0.114	—	5.465	1.353	1.497	1.375	1.286
Brussels	3.74	4.18	2.62	4.18	2.62	—	24.79	5.270	5.25	5.64	5.64
Frankfurt	1.64	1.64	—	0.920	0.920	—	1.399	1.229	1.178	—	—
London (at)	1.00	1.00	—	0.736	0.736	—	61.89	23.99	26.57	25.16	—
Madrid	16.35	16.35	—	0.920	0.920	—	1.399	1.229	1.178	—	—
Milano	1.36	1.36	—	0.920	0.920	—	1.399	1.229	1.178	—	—
New York (at)	1.00	1.00	—	0.736	0.736	—	61.89	23.99	26.57	25.16	—
Paris	6.55	6.55	—	1.746	1.746	—	1.27	12.25	10.47	15.83	—
Tokyo	1.00	1.00	—	0.736	0.736	—	61.89	23.99	26.57	25.16	—
Zurich	1.48	1.48	—	0.920	0.920	—	1.399	1.229	1.178	—	—
1 ECU	1.00	1.00	—	0.920	0.920	—	1.399	1.229	1.178	—	—
1 SDR	1.00	1.00	—	0.920	0.920	—	1.399	1.229	1.178	—	—
Changings in Amsterdam, London, Milan, Paris and Zurich, figures in other centers New York rates at 4 P.M. and Toronto rates at 3 P.M.											
a: To buy one pound: To buy one dollar: Units of 100; N.Q.: not quoted; N.A.: not available.											
Other Dollar Values											
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	1.00	Guatemalan quetzal	20.00	Mexican peso	16.67	S. Korean won	170.00	Swedish krona	8.00	Swiss franc	1.48
Australian \$	0.69	Hong Kong \$	7.75	N. Zealand \$	1.33	S. Korean won	170.00	Swedish krona	8.00	Swiss franc	1.48
Austrian sch.	13.76	Indian rupee	47.54	Phil. peso	46.56	Thai baht	41.11	Turkish liras	20.00	Venez. bol.	200.48
Belgian franc	40.33	Indonesian Rp.	1,547	Port. escudo	200.48	UAE dirham	3.67	Venez. bol.	200.48		
Chinese yuan	8.27	Irish punt	7.88	Swiss franc	1.48	U.S. dollar	1.00				
Czech koruna	20.36	Kuwait dinar	4.00								
Danish krone	6.46	Malay. ring.	2.33								
East German mark	1.54										
ECU	1.36										
Forward Rates											
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day				
Pound Sterling	1.6712	1.6685	1.6630	Japanese yen	136.06	135.47	134.80				
Canadian dollar	1.4640	1.4631	1.4624	Swiss franc	1.4877	1.4831	1.4783				
Deutsche mark	1.7827	1.7796	1.7762								
Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.											

Key Money Rates									
	£	DM	FF	Yen	¥	¥	¥	¥	¥
1-month	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3-month	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6-month	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
7-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
8-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
11-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
12-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
13-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
14-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
15-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
16-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
17-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
18-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
19-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
21-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
22-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
23-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
24-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
25-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
26-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
27-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
28-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
29-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
30-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
31-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
32-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
33-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
34-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
35-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
36-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
37-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
38-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
39-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
40-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
41-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
42-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
43-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
44-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
45-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
46-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
47-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
48-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
49-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
51-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
52-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
53-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
54-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
55-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
56-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
57-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
58-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
59-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
60-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
61-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
62-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
63-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
64-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
65-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
66-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
67-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
68-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
69-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
70-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
71-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
72-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
73-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
74-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
75-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
76-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
77-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
78-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
79-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
80-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
81-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
82-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
83-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
84-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
85-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
86-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
87-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
88-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
89-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
90-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
91-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
92-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
93-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
94-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
95-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
96-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
97-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
98-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
99-year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
100-year	1.00	1.00	1.00	1.00	1.00	1.00			

# Saudi Seeks To Acquire Ferre Stake

Bloomberg News

MILAN — Prince Walid bin Talal of Saudi Arabia is in talks to buy a stake in the Italian fashion house Gianfranco Ferre. The move would be the largest acquisition yet by one of the world's most savvy investors in an industry that in recent months has been hammered by Asia's economic woes.

In an interview with the Italian news weekly Il Mondo to be published Friday, Franco Mattioli, Mr. Ferre's business partner, said he saw a "70 percent probability of closing the talks within about ten days' time."

The Milan-based fashion company is discussing a 250 billion lire (\$143 million) sale to Prince Walid of 49 percent of the controlling stake held by Mr. Mattioli and Mr. Ferre, the designer and founder.

Prince Walid's interest in Ferre is the latest in a series of potential acquisitions and mergers that promises to re-style the Italian fashion industry. The Milan fashion house Prada said Tuesday that it had acquired a 9.5 percent stake in its Florence-based rival, Gucci Group NV, as a "strategic investment."

Prince Walid is known for taking chances on potentially profitable investments.

In September, the Saudi billionaire said he had acquired a 7 percent stake in Donna Karan International Inc. for about \$20 million, his first major foray into the fashion industry.

Officials at Ferre declined to comment on the talks. A spokesman for Prince Walid did not return telephone calls.

Sales of Ferre products have surged over the past few years, making it one of Italy's ten largest fashion houses.

# RICHEMONT

RESULTS FOR THE YEAR ENDED 31 MARCH 1998

The Board of Directors of Compagnie Financière Richemont AG announces the following results for the year ended 31 March 1998.

	1998	1997	
Operating Profit	£ 1 044.4 m	£ 954.2 m	+ 9.5%
Profit Attributable to Unitholders	£ 386.0 m	£ 302.9 m	+ 27.4%
Earnings per Unit	£ 67.22	£ 52.75	+ 27.4%
Dividend per Unit	£ 11.50	£ 9.40	+ 22.3%

The financial highlights shown above exclude the effects of exceptional items and goodwill amortisation from the results for both years.

• The Group's operating profit increased by £90.2 million (9.5 per cent) to £1 044.4 million, reflecting good underlying growth in operating profit in the Group's tobacco and luxury goods businesses, together with a significant reduction in the level of losses arising in respect of the Group's pay television interests. The growth in operating profit of £90.2 million was achieved after adverse currency effects arising from the strength of sterling of some £132 million.

• Operating profit from the Group's tobacco operations, held through Rothmans International, increased by 15.9 per cent at constant exchange rates, reflecting growth in all regions with particular improvements in France, Malaysia and the United Kingdom.

• The Group's luxury goods business, held through Vendôme Luxury Group, showed continued growth with operating profit increasing by 15.2 per cent in Swiss franc terms.

• Profit attributable to unitholders and earnings per unit, adjusted to exclude exceptional items and goodwill amortisation, increased by 27.4 per cent to £386.0 million and £67.22, respectively.

• The annual dividend is increased by 22.3 per cent to £11.50 per unit.

Copies of the full results announcement and the annual report may be obtained from: Compagnie Financière Richemont AG, Rigistrasse 2, 8000 Zug, Switzerland. Telephone: +41 (0)41 710 33 22. Telex: +41 (0)41 711 71 02.

Richemont International Limited, 15 Hill Street, London W1X 7FB. Telephone: +44 (0)171 499 2539. Telex: +44 (0)171 491 0524.







## Retirement Plan Steers Adam Opel to '97 Loss

FRANKFURT — Adam Opel AG said Thursday it had posted a loss last year, the first unprofitable year since 1993, despite record sales, because of the cost of a new workers' retirement plan.

The German unit of General Motors Corp. said an early-retirement and pre-retirement plan introduced in January to phase out jobs without

## Satellite Company Plans to Sell Shares

BETZDORF, Luxembourg — Societe Europeenne des Satellites, which beams television pictures into almost half of Europe's homes, said Thursday that it plans to sell 15 percent of its equity capital next month to the company at as much as \$6.1 billion.

The company has launched seven satellites and has four under construction that are expected to be launched within two years. It will not receive any proceeds from the sale, as existing shareholders, in a bid to cash in on their investment amid a booming stock market, are making available one-sixth of their respective holdings.

"Its long-term potential makes it attractive with the development of digital television and multimedia in Europe," said Gregoire Delouche, a fund manager at ASLK in Brussels, which owns the European Asim satellite network used by British Sky Broadcasting Group PLC, CNN and other TV broadcasters. It is the latest satellite company seeking a stock-exchange listing. Iridium Corp. of the U.S., \$10 billion company listed on the Nasdaq stock exchange, has seen its shares more than double in value since it listed last June.

recourse to layoffs caused a loss of 238 million Deutsche marks (\$127 million) in 1997, despite record sales of 30 billion DM.

The company said in February it expected to post a loss of 150 million DM to 250 million DM because of the extra costs. Without these costs, Opel's 1997 profit would have exceeded the previous year's 314 million DM profit, the company said.

Opel this year guaranteed its 43,500 workers in Western Germany there would be no involuntary layoffs before 2002 and set a plan in motion to phase out several thousand jobs through the plans.

"On first glance this is not positive, but it is clearly an investment in the future security of the company," said David Herman, Adam Opel's chief executive, who will be replaced Friday by GM Europe's manufacturing vice president, Gary Cowger. The carmaker said it expected 1998 earnings to exceed those in 1997, with sales seen matching the previous year's record levels. But it also said sales in the first five months of 1998 fell to 11.5 billion DM from 12.6 billion DM in the same period in 1997.

Ericsson Scopes Out Network Firms

STOCKHOLM — LM Ericsson AB is in talks to acquire Ascend Communications Inc. and other computer networking companies, a person familiar with the talks said Thursday.

Ericsson would not comment on specific acquisition targets. The company "is very interested in data networking companies," a spokeswoman said. Ascend declined to comment.

The Swedish telecommunications company wants to acquire an Amer-



Mr. Cowger, Opel's new chief, at a Frankfurt meeting Thursday.

## Micro Focus Buys U.S. Rival

LONDON — Micro Focus Group PLC, a leading British software maker, has agreed to buy a U.S. rival, Intersolv Inc., for \$481 million in new stock.

Both companies make software tools that help engineers design and debug computer programs.

Micro Focus shares, which rose sharply after the deal was an-

nounced, gave up the gains to close Thursday in London down 13 percent, at 450 pence (\$7.47).

American depositary shares in Micro Focus were down \$7.25 in late trading in New York, at \$34.75.

Analysis said the share price reversal reflected concern about Micro Focus's plan to issue 14.4 million new American depositary shares to pay for the deal. Micro Focus will pay 0.55 American depositary shares for each Intersolv share, or \$19.11 at the current value. Intersolv shares were \$23.125 higher in late U.S. trading, at \$16.8125.

"I think there was some early market euphoria," said Patrick Yau, an analyst at Nomura International in London, "and then people looked at the acquisition and looked at the amount of shares being issued."

The acquisition of Intersolv will provide Micro Focus with a stronger sales network and build its services unit by adding Intersolv's 300-person division. The combined entity will be able to compete with larger companies such as Compuware Corp., said Martin Waters, chief executive of Micro Focus.

## Bundesbank Gives Upbeat Jobs Report

FRANKFURT — The German economy, suffering from record postwar levels of unemployment, is beginning to create jobs, and there is even a shortage of workers in some industries, the Bundesbank said in its monthly report for June, scheduled for release Friday.

"The economic upswing has gained pace since the start of 1998," the Bundesbank said in the report. "At the same time, its basis has become broader."

"The drop in job creation, a not-

able fact since the end of the boom following reunification, is almost over," the central bank said.

This is good news for Chancellor Helmut Kohl, who is running for reelection in September.

The bank said the work force totaled 33.8 million in March, in seasonally corrected figures, which is "only slightly below the level at the end of 1997." The unemployment rate dropped in May, falling to 11.2 percent from 11.3 percent in April, in seasonally adjusted figures, and in unadjusted figures to 10.9 percent from 11.4 percent.

This was the largest drop in unemployment for a May since reunification, the bank said.

The Bundesbank said there was a shortage of labor in certain industries, such as manufacturing, "particularly for engineers and information technicians."

The report added that the level of jobs not filled — 440,000 at the end of May in seasonally adjusted figures — was the highest it had been since 1991. The bank acknowledged that this was in part due to job-creation programs started by the government, but it said a real economic recovery had contributed.

The increase in jobs, 120,000 in a year, "shows demand for workers is up," especially in the service and industrial sectors, the report said.

The bank said this was a "counterweight" to continued stagnation in construction and public works.

The Bundesbank said exports going to Asian emerging markets only amounted to about 5 percent, a percentage too low "to immediately jeopardize the continuation of the growth process."

Stronger growth in Europe will also make up for any negative impact coming from a recession in countries around the Pacific Rim, the report said. (AFP, Bloomberg)

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
5750	6250	4300		
5400	6000	4000		
5050	5750	3700		
4700	5500	3400		
4350	5250	3100		
4000	5000	2800		
J F M A M J J 1998				
Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	1,161.09	1,174.87	-1.17
Brussels	BEL-20	3,329.74	3,339.12	-0.28
Frankfurt	DAX	5,718.06	5,709.36	+0.15
Copenhagen	Stock Market	738.23	740.54	-0.31
Helsinki	HEX General	4,699.09	4,744.56	-0.96
Oslo	OBX	663.69	678.48	-2.18
London	FTSE 100	5,812.10	5,832.70	-0.35
Madrid	Stock Exchange	864.76	864.38	-1.11
Milan	MIBTEL	23167	23331	-1.55
Paris	CAC 40	4,052.27	4,092.82	-0.99
Stockholm	SX 16	4,037.09	4,132.95	-2.32
Vienne	ATX	1,483.47	1,491.10	-0.51
Zurich	SPI	4,706.73	4,745.34	-0.81

Source: Reuters. (Continued on Page 19)

## Very briefly:

- British retail sales increased by 1.7 percent in May, fanning talk of a further rise in interest rates. Economists had widely expected a more modest rise of 0.7 percent. The Office for National Statistics said sales rose 4.6 percent in the year to May, up from a 4.0 percent annual rate in April.
- Lomra PLC, the British mining company, posted a loss of \$40 million (\$66.8 million) in the six months ended on March 31 as it wrote down the value of an oil drilling investment.
- Fresenius AG, the German medical products group, said it expected strong 1998 sales and profit growth despite paying about \$40 million DM (\$470 million) to take over a unit of Pharmacia & Upjohn Inc.
- Daimler-Benz AG said it wanted to extend its vehicle range by developing a so-called "city van" weighing less than 2 tons. The company, which already manufactures Vito, Sprinter and Viano vans weighing between 2.6 and 7.5 tons, said demand for city vans was growing in Western Europe.
- GIAT Industries, the French state-owned defense group, is to shed 3,000 to 4,000 jobs and close several production facilities, Defense Minister Alain Richard said. The group employs 10,500 people.

Reuters, Bloomberg, AFP

## WORLD STOCK MARKETS

Thursday, June 18  
Daily prices in local currencies.

Amsterdam

High Low Close Prev.

ABN-AMRO 48.20 48.10 48.00 47.70

Alcoa 42.40 42.30 42.20 41.90

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# INTERNATIONAL

**Thursday 4 P.M.**  
The 1,000 most traded National Market Securities  
In terms of dollar value, updated twice a year.  
The Associated Press

[illegible]

## Continued from Page 1

**'What they've got to do is come out with a plan to close down banks.'**

But the Finance Ministry official said, "I don't agree." He said the government's role is to ensure full disclosure of problem loans, and to set up a framework for dealing with banks that are pushed into bankruptcy by market forces.

Sadami Inamura, 60, who recently retired from a government job, said that despite the Clinton administration effort in support of the yen, he is so pessimistic about the economy that he is thinking of transferring one-third of his savings into foreign currency accounts.

## Reviews

Other Asian leaders and central banks joined in the praise for the dollar sales, many hoping a firmer yen would reduce pressure on China to devalue the yuan, a move that would deepen Asia's financial crisis. Beijing has repeatedly promised not to devalue its currency, though it had implied that it was a possibility.

## Continued from Page 17

The tycoons, fearing a ruble devalu-

Mr. Berezovsky said he had supported the hard-liner Alexander Lebed in his recent successful campaign to be governor in Krasnoyarsk because, as Mr. Berezovsky put it, he wanted "to split up" the nationalist camp.

**Thursday's 4 P.M. Close**

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## ASIA/PACIFIC

## Magnitude of Japan's Bank Problem Dwarfs S&amp;L Crisis

By Clay Chandler  
and Sandra Sugawara  
Washington Post Service

Japanese leaders have promised to fix their ailing banking system, but they stopped short of saying they would undertake the drastic measures urged by the U.S. Treasury and many international financial experts.

Treasury Secretary Robert Rubin and his top aides have pleaded with Japanese officials to employ the sort of ruthless, market-oriented policies that helped the United States bounce back from the savings and loan crisis of the 1980s: close failing banks, merge the weak with the strong, and force the survivors to accept huge losses.

That approach worked in the United States over six years and at a final cost to taxpayers of about \$100 billion, but without inflicting broad suffering or social dislocation.

But many private analysts, including skeptics and advocates of such steps, warn that the Japanese would have a far harder time.

Japanese officials face a problem with bad loans — debts to banks that are not being repaid — that is roughly six times as large relative to the size of their economy and

spread more widely through the banking system. They also struggle with structural, legal and cultural obstacles that likely would make the process — even if successful — more lengthy and painful.

Japan's bank problems are huge — significantly bigger than what we faced in the United States, said Timothy Ryan, a J.P. Morgan & Co. executive who served on the U.S. government's Resolution Trust Corp. from 1990 to 1993 and now spends much of his time advising Japanese clients on how to learn from the U.S. example.

"I think a lot of the U.S. strategies may be transferable to Japan, but it won't be easy," Mr. Ryan said. "And a lot of the solutions that helped us aren't available in Japan."

The stakes are sizable. If done right, curing the Japanese banking system could spur that economy out of recession and help pull the rest of Asia out of financial turmoil. But if it is done ineptly, the sick banking system could prolong Japan's recession and trigger a global financial crisis.

From 1989 to 1995, the Resolution Trust Corp. closed 747 U.S. thrift institutions, nearly half of them in the first six months, and sold off about \$463 billion in assets, including

120,000 real estate properties, at a net cost of about \$100 billion.

Japanese bad loans are estimated to be worth at least \$600 billion, about half of which are probably worthless. But Japan's economy is about half that of the United States. So, by implication, Japan's bad-loan problem, relative to the size of its economy, is about six times as large.

Sick banks matter much more in Japan than in the United States, because Japan's stock and corporate bond markets are less developed, and so are a far smaller source of capital for the private sector. Thus, when the banking system falters, Japanese companies have few alternative sources of money.

The end result is that capital, the lifeblood of the economy, is circulating much more slowly. The weak banks cannot make new loans to companies, so fewer companies invest and the economy shrinks. Moreover, the original borrowers find it all the more difficult to repay their debts.

In the United States, the Resolution Trust Corp., working with the Federal Deposit Insurance Corp., helped break this vicious cycle during the savings and loan crisis. The FDIC determined which lenders should be forced to

close. The Resolution Trust Corp. then took over the books of the failed institutions, paid off their creditors and attempted to resell their assets as quickly as possible. They foreclosed on and then sold the properties and other assets pledged as collateral for the loans.

So far, Japan has resisted this type of solution.

On Monday, Japan is to establish a new Financial Supervisory Agency, which will be empowered to shut a bank if its liabilities exceed its assets, but will not be required to do so. By comparison, U.S. bank supervisors must take some action, including possibly closing a bank if its capital ratio — the bank's net worth relative to its assets — falls below 2 percent.

Finance Minister Hikaru Matsunaga detailed steps Wednesday such as disposing of bad loans more aggressively, restructuring financial institutions, improving disclosure of banks' financial information and strengthening banking supervision.

But those measures will not change one fundamental obstacle to getting bad loans off the Japanese banks' books — namely, the shortage of healthy banks with the money to buy the assets of cash-strapped banks.

## Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong Hang Seng	12500	8,515.97	8,004.35	+6.39
Singapore Straits Times	1750	1,133.41	1,107.70	+2.32
Tokyo Nikkei 225	17000	2,608.20	2,548.30	+2.31
Kuala Lumpur Composite	1500	15,361.54	14,715.38	+4.39
Bangkok SET	1000	471.82	450.88	+4.64
Seoul Composite Index	1000	295.15	272.94	+8.14
Taipei Stock Market Index	1000	325.49	303.81	+7.14
Manila PSE	1000	7,768.51	7,466.38	+4.04
Jakarta Composite Index	1000	1,828.59	1,716.18	+6.55
Wellington NZSE-40	1000	440.09	419.44	+4.92
Bombay Sensitive Index	1000	2,031.94	1,988.59	+2.18

Source: Reuters

International Herald Tribune



President Kim Dae Jung of South Korea, right, meeting on Thursday with Bill Gates of Microsoft.

## Kim Welcomes Microsoft's Korea Investment

SEOUL — President Kim Dae Jung welcomed on Thursday a plan by the head of Microsoft Corp., Bill Gates, to invest up to \$20 million in a South Korean software company.

But Mr. Kim expressed concern about protests over a concession Microsoft asked the software company to make in exchange for the investment.

The deal called for Microsoft to

take a 19 percent equity stake on the condition that the company give up its leading Korean-language word processing program, called Hanguk, the name of the alphabetic script in which Korean is written.

Hanguk & Computer promised to give up the software, which has an 80 percent market but has not been profitable because of rampant piracy.

The nation was shocked by the withdrawal of Hanguk & Computer

Co. from its word-processor project, Mr. Kim said, referring to a deal Tuesday between Microsoft and the South Korean company.

But Mr. Gates has said that condition was not final. The presidential office quoted Mr. Gates as saying, "I will seek to revise our strategy if my plan is accepted here negatively." Mr. Gates arrived here Wednesday as part of a trip through Japan, South Korea and Taiwan.

## Malaysia Pledges to Raise Spending to Aid Economy

Compiled by the Staff of Financial Post

KUALA LUMPUR — Malaysia will increase public spending this year to lift its slumping economy, Finance Minister Anwar Ibrahim said Thursday.

The plan to add 7.03 billion ringgit (\$1.74 billion) in "countercyclical" spending was approved Wednesday by Malaysia's cabinet after a 1.8 percent contraction in first-quarter economic growth triggered recession fears, Mr. Anwar said.

"God willing, this increase in spending will raise the gross domestic product growth rate," Mr. Anwar told the members of the United Malays National Organization, the country's dominant political party, at their annual general assembly.

He said further details of the plan would be released Sunday.

The move runs counter to the International Monetary Fund's standard prescription, which includes tightening monetary policy and cutting government spending and subsidies.

Among Malaysia's neighbors, Singapore has also raised spending to help counter the slowdown.

Malaysia's plan to spend its way out of its slowdown comes amid the

country's first contraction in 13 years. Companies are suffering from tight liquidity and a slump in demand as high interest rates choke lending. With higher spending, the government hopes to increase consumption.

"The scene has changed. Now, there's tight liquidity and no movement in the economy," said Nik Fauzan, an economist at Hwang DBS Securities. "It's a good move."

Mr. Anwar said the government would identify projects to be implemented on a fast-track basis in the second half of the year and in 1999 to hasten economic recovery.

Projects to be considered include agriculture, construction of low and medium-cost houses, schools, expansion of vocational institutions and universities, clinics, bridges and roads, especially in rural areas, and water supply systems.

Mr. Anwar said economic recovery should be the main priority for all Malaysians now.

Malaysian stocks surged during Mr. Anwar's speech, with the benchmark 100-stock Composite Index closing 5 percent higher, at 471.82. (Bloomberg, AFP)

## Very briefly:

• Telstra Corp., Australia's leading telecommunications company, said it bought a 10 percent stake in the global telecommunications alliance WorldPartners Co., which includes AT&T Corp., Kokusai Denjin Denwa Co., Singapore Telecommunications Ltd. and Unisource NV. The purchase price was not disclosed.

• Legend Holdings Ltd. posted a net profit of 73.27 million Hong Kong dollars (\$9.5 million) for the year ended March 31 after recording a loss of 48.64 million dollars in the previous year. The Chinese computer products manufacturer and distributor attributed the profit to the acquisition of three units from its parent company.

• Japanese automakers took advantage of the weak yen to increase exports of cars and trucks to the United States, countering slumping sales at home and a decline in exports to Asia. Mazda Motor Corp.'s exports to the United States rose 31.6 percent, Toyota Motor Corp.'s rose 12 percent and Honda Motor Co.'s rose 9.8 percent.

• Moody's Investors Service Inc. lowered the subordinated debt ratings of Long-Term Credit Bank of Japan Ltd. and Long-Term Credit Bank France NV to B1 from Baa1, warning that it was concerned about "deteriorating financial fundamentals" at the Japanese bank.

• Taiwan suspended new infrastructure projects worth more than \$1.5 billion after BES Engineering Corp. protested the award of a mass-transit contract to a rival company, Ever Fortune Industry Co.

• Taiwan will cut tariffs on European vehicles by 2.5 percentage points, to 17.5 percent, beginning in 2008, in a bid to gain admission to the World Trade Organization, the deputy economics minister, Lin Yi-fu, said.

• South Korea attracted \$654 million of foreign investment in May, a 15 percent increase over the previous month, the Ministry of Finance and Economy said. (Bloomberg, Reuters, AFP)

## NASDAQ

Thursday's 4 P.M.  
(Continued)

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[illegible]



## WORLD ROUNDUP

## A Setback for Graf

TENNIS Steffi Graf, who returned to tennis last weekend after being sidelined by injuries, lost to Anna Kournikova, 6-7 (4-7), 6-3, 6-4, in a two-hour quarterfinal Thursday in the grass court tournament at Eastbourne, England.

Graf was upset by several calls and when she came off the court she refused to shake the hand of the umpire, Andy Wynn. During the final set she pleaded with Wynn to change the line judges, and she was also angry when he refused to overrule several calls.

Graf reached the semifinals in Birmingham last weekend before the tournament was curtailed by rain. (AP)

## Bargaining With NBA

BASKETBALL A moratorium resembling a no-lockout, no-strike pledge was discussed during a National Basketball Association collective bargaining session as a way to reinstate 12 players who were removed from the U.S. world championship team.

USA Basketball had dropped the players from its 24-man roster because it feared that the NBA was going to lock out the players on July 1 and they would then boycott the team for the championships in Greece, which start July 29.

The Seattle SuperSonics hired Paul Westphal as coach to succeed George Karl, who was fired.

The four-year contract is reportedly worth \$1 million and \$1.5 million per season. Five years ago Westphal took the Phoenix Suns to the NBA final but was fired during the 1995-96 season. (AP)

## A Trinidadian Speedster

ATHLETICS Ato Boldon of Trinidad equaled the third fastest time ever over 100 meters when he clocked 9.86 seconds at an international meeting Wednesday in Athens.

Only the Olympic 100-meter champion, Donovan Bailey of Canada, who set the world record of 9.84 at the 1996 Atlanta Games and Leroy Burrell, the American who set the previous world mark of 9.85 in Lausanne four years ago, have run faster. (Reuters)

## McGwire Hits No. 32 But Astros Win Game

The Associated Press

Many of the 37,147 fans at the Astrodome headed for the exits after Mark McGwire, who had earlier hit his 32nd homer, completed a 3-for-5 night by flying out in the eighth.

So they missed Houston's ninth-inning rally Wednesday, which included

## BASEBALL ROUNDUP

Jeff Bagwell's tying two-run homer and Brad Ausmus's winning single as the Astros won 6-5.

McGwire hit his major league-leading 32nd homer and drove in his National League-leading 81st run for St. Louis but said he was not happy.

"If I hit a home run and we don't win, it doesn't matter," said McGwire, who hit a line drive over the left-field scoreboard in the third inning.

"I understand a lot of people come out to see Mark McGwire," Bagwell said, "but they should be out here to see the Houston Astros play the St. Louis Cardinals. For them to leave after Mark's last at-bat, I wouldn't say it was a slap in the face, but unfortunately for them they missed a good inning."

Braves 6, Marlins 2 Greg Maddux tossed a four-hitter to become the majors' first 10-game winner as Atlanta beat visiting Florida.

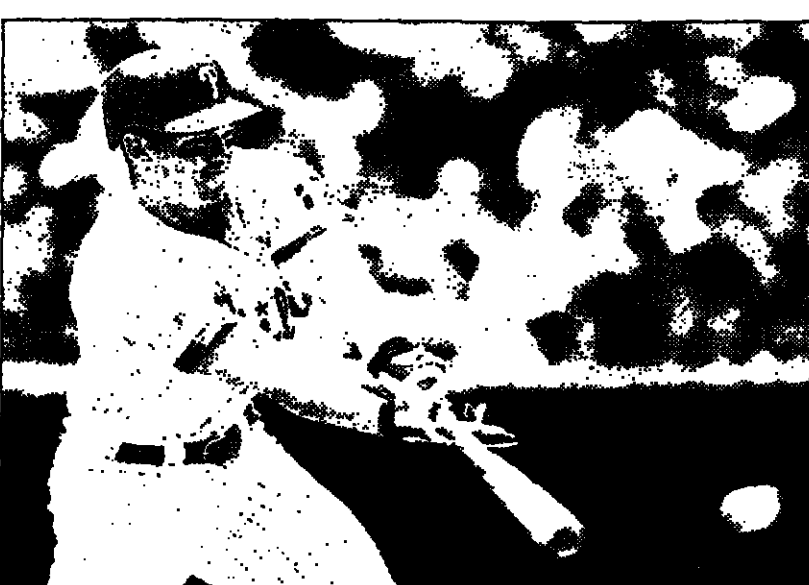
By limiting Florida to a pair of unearned runs, Maddux (10-2) dropped his earned run average to 1.62, second-best in the NL. The four-time Cy Young winner has allowed two runs or fewer in 10 straight starts.

"He's the best," said Jim Leyland, the Marlins manager. "He can punt for a hit. He can field the ball. The only thing he can't do is throw 98 mph."

Brewers 6, Cubs 5 John Jaha hit a three-run homer as Milwaukee overcame another homer by Sammy Sosa and a pair of two-run shots from Jose Hernandez to win in Chicago.

Phillies 3, Pirates 1 In Philadelphia, Curt Schilling pitched a two-hitter and struck out 10 as the Phillies completed a three-game sweep with their fourth straight victory.

Schilling (7-7) leads the majors with



Scott Rolen powering a triple on Wednesday against the Pittsburgh Pirates at Philadelphia. Philadelphia triumphed over Pittsburgh, 3-1.

seven complete games and 157 strikeouts. It was Schilling's 10th game this season with 10 or more strikeouts and 39th of his career.

Giants 6, Rockies 3 In San Francisco, Kirk Rueter pitched six strong innings and Rich Aurilia hit a tiebreaking two-run homer in the sixth.

Diamondbacks 4, Reds 1 Jay Bell homered and drove in two runs and Devon White hit his first right-handed homer of the season as Arizona won in Cincinnati.

Expos 5, Mets 4 In Montreal, Brad Fullmer won the game with a two-out run-scoring single in the bottom of the ninth as the Expos snapped a three-game losing streak.

Fullmer's sinking line drive fell in front of diving center fielder Brian McRae and scored Shane Andrews.

Padres 3, Dodgers 2 In San Diego, Wally Joyner's bloop single in the 12th got past center fielder Roger Cedeño, allowing Greg Vaughn to score from first and give the Padres their ninth straight victory.

In American League games: Devil Rays 2, Blue Jays 1 Rolando Arroyo, a Cuban pitcher, won his ninth game in helping Tampa Bay beat visiting Toronto.

Rolando's brother, Roberto, watched from the stands at Tropicana Field in St. Petersburg, Florida, as his younger brother continued his remarkable first season in the major leagues.

Rolando Arroyo defected in 1996. Roberto and the brothers' mother, Urvendolina, arrived in South Florida last week after fleeing Cuba in a boat.

Yankees 5, Orioles 3 Darryl Strawberry hit a 465-foot homer off Mike Mussina as New York avenged a three-game sweep in Baltimore.

Strawberry's 10th homer, a three-run shot to center in the first, was the longest in the seven-year history of Camden Yards.

Royals 4, Indians 3 In Cleveland, Jose Rosado won for the third time in four starts despite being knocked out of the game by a line drive that hit his pitching arm.

Rosado had to leave the game in the seventh inning with a bruised biceps muscle after being struck by David Bell's shot. Matt Whisenant relieved and served up Kenny Lofton's three-run homer to cut it to 4-3.

Tigers 6, Twins 2 In Detroit, Tony Clark homered from both sides of the plate as the Tigers beat Minneapolis to win for the fifth time in 17 games.

Red Sox 12, White Sox 5 In Chicago, Mo Vaughn and Troy O'Leary each drove in three runs as Boston won for the sixth time in seven games.

Athletics 3, Rangers 2 In Arlington, Texas, Kenny Rogers pitched 7 1/2 innings to beat his former team and Oakland took advantage of two errors by Texas first baseman Will Clark to win its fourth straight.

Angels 4, Mariners 2 In Anaheim, California, Darin Erstad brought Anaheim from behind with a two-run homer in the seventh, and Omar Olivares pitched eight strong innings.

Terry Collins, the Anaheim manager, returned to the bench after an eight-game suspension. The victory moved the Angels 1 1/2 games ahead of Texas in the AL West.

## Selig Finally Accepts Top Job in Baseball

'Anticlimax' for 6-Year Acting Commissioner

By Murray Chass

New York Times Service

NEW YORK — The search for a baseball commissioner is over. It did not stray an inch from where it began.

Bud Selig, who has served in the role of commissioner for nearly six years without having the title, has decided to accept the job he had resisted taking, several people in ownership and high-ranking positions in Major League Baseball said Wednesday.

Two people, one a high-ranking official in baseball and one who has close contacts with people in the sport's hierarchy, said an announcement could be made by the All-Star Game, which is scheduled July 7.

The naming of Selig should surprise no one, inside or outside baseball.

"It's one of the great anticlimaxes of all time," one former official said.

Selig, who will be 64 next month, has said for several years that he did not want to be commissioner. But he never said he would flatly refuse to accept the position. Overwhelming support from owners for him to take the job made it possible for him to agree to take it.

"An almost unified ownership came to him and said, 'You've got to do it; you're the only one,'" one official said.

An owner described a scene at a meeting involving Jerry McMorris, owner of the Colorado Rockies and chairman of the commissioner search committee.

"McMorris is sitting there saying we have some candidates we should interview," the owner related, but he added, "What's the sense of doing that when the answer is sitting right there?"

Several people said only two or three owners oppose the idea of Selig as commissioner. All of them named Jerry Reinsdorf of the Chicago White Sox as one. Others identified were Peter Magowan of the San Francisco Giants and The Tribune Co., owner of the Chicago Cubs.

But one person said the Giants had only recently heard about the development and were not sure what the Giants' position would be.

Two people said it was possible that when it came to an official vote, even the clubs opposed might vote for Selig. Election of a commissioner requires a three-

fourths majority of the 30 clubs, including at least five votes in each league.

Selig was in Houston for an Astros' news conference Wednesday and did not respond to a message left with the Astros' business office.

Major League Baseball has been without a commissioner since Fay Vincent, the eighth commissioner, resigned under pressure on Sept. 7, 1992.

Two days later, Selig was named chairman of the executive council, which runs baseball in the absence of a commissioner. He has been in charge since, most often referred to as interim commissioner.

Even when Selig is officially confirmed and introduced as the ninth commissioner, it is unlikely that changes will be noticeable. Selig has always operated with a consensus of owners and will continue to do so. He rarely has taken action without knowing that he has enough votes for his position.

Furthermore, owners are happy with the presence since last July of Paul Beeston in the New York office as president and chief operating officer of Major League Baseball. Beeston's role is believed to have influenced Selig to accept the top job. From the day Beeston, who formerly was president of the Toronto Blue Jays, took his job, he has urged Selig to become the commissioner.

Selig is president, chief executive officer and operating officer of the Milwaukee Brewers. Some owners had previously expressed concern about an owner being commissioner, but that concern evidently has been satisfied.

One person said he thought Selig would put his share of the Brewers in a trust.

One problem Selig may have as public acceptance of him as commissioner. His was the anguished face that fans saw on television throughout the 23-day strike, and it was he who announced cancellation of the 1994 World Series. The absence of the World Series even more than the strike itself was the development that turned many fans against baseball.

Another matter will be management's relationship with the players union. The relationship between Selig and Donald Fehr, head of the union, deteriorated badly during the labor dispute and ensuing strike.

## For Golfers, USGA Proposal Worth Its Weight in Titanium

New York Times Service

SAN FRANCISCO — If you're a golfer with one of those high-tech titanium drivers, you can still hit the ball longer and straighter and you can still hit it out of bounds.

For more than a month, the golf underground had warned that the guardian of the game, the U.S. Golf Association, was about to ban all those Big Berthas, Titleist 975Ds, Ping TiSi's, Taylor Ti Bubbles and King Cobra Ti's that were providing touring pros and duffers with more yards off the tee.

For any golfer, only one development could be worse: closing your favorite 19th hole.

But sanity, if not sympathy, has prevailed. Wednesday, on the eve of the 98th U.S. Open, the association announced a proposal instead of a punishment. It also indicated that virtually all the clubs submitted for USGA testing that are now on the market will conform to the eventual standard.

Your titanium clubs not only are legal, but they will also apparently remain legal even after the USGA announces that standard sometime in the fall.

That standard will involve a golf phrase that is suddenly as important as "greens in regulation." The phrase is "spring-like effect," meaning the rebound velocity of a golf ball off

the face of a club. Those words have been in the Rules of Golf since 1984, but only vaguely.

"The material and the construction of the club," Rule 4-1e of Appendix II reads, "shall not have the effect of imparting a spring."

David Fay, the association's executive director, said all clubs have had some spring-like effect in the literal sense "because all

clubs deform at impact." As examples, Fay mentioned Bobby Jones's driver in 1930, the wooden-headed drivers used in the 1987 Open here at Olympic and the metal drivers that Tiger Woods and the other touring pros are using in this Open.

Fay said: "We don't believe that the spring-like effect in clubs that are presently in use have lessened the skill required to play the

game at championships such as the U.S. Open or at the recreational level. With an eye to the future, we have a responsibility to set objective, clearly understood standards that anticipate emerging technology."

The concern, said F. Morgan Taylor Jr., the USGA president, is "what's around the corner," not what's in your corner discount store or club pro shop.

What may be around that corner is what is known in Japan as "the Yamaguchi patent." Owned by Dunlop, it produces what is known as "impedance matching of club and ball."

That's high-tech talk for a spring-like effect that would add distance, perhaps beyond whatever standard the USGA defines in the next few weeks before its meeting with club manufacturers.

"There are a lot of people that have an aerospace or high-metal technology background now involved in golf," added Taylor, who was once a Princeton football player.

"Our own consultants, who are pretty wise in these matters, have suggested there are certain materials which may create a problem."

That's why the USGA intends to draw a

## Vantage Point/DAVE ANDERSON

line not on titanium but on the high-tech metals on the horizon. Plutonium? Uranium?

But for whatever extra distance the high-tech metals create, they won't change the essence of better scoring: putting.

"You still have to putt," said David Duval, who has won five PGA Tour events since October.

And the USGA standard won't diminish golf's research and development. Ely Callaway, who popularized the Big Bertha, the Great Big Bertha and the Biggest Big Bertha drivers, looked to the eventual standard as a challenge.

"It will increase research and development," Callaway said, "because whatever further restrictions do come, we need to be more ingenious."

During the USGA news conference, John Daly, wearing a Callaway cap, stood in the back and listened. Hardly a disinterested bystander, he is No. 1 on the PGA Tour in driving distance with a 297-yard average on the measured holes.

"I don't understand any of this," Daly said.

But Daly understands that he can still tee off with his Biggest Big Bertha and that is all he cares about. And that is all any golfer with a titanium club cares about.

That's why the USGA intends to draw a

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

## AMERICAN LEAGUE

## EAST DIVISION

Team	W	L	Pct.	GB
New York	49	27	.643	0
Boston	41	37	.520	8 1/2
Toronto	34	47	.418	17 1/2
Baltimore	34	47	.418	17 1/2
Tampa Bay	30	49	.383	20 1/2

## CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	40	35	.533	0
Minnesota	37	37	.500	3 1/2
Chicago	36	41	.466	7 1/2
Kansas City	37	42	.466	7 1/2
Detroit	36	41	.466	7 1/2

## WEST DIVISION

Team	W	L	Pct.	GB
Anheim	41	28	.594	0
Texas	40	29	.577	1 1/2
Oakland	32	37	.464	9
Seattle	27	42	.393	13

## NATIONAL LEAGUE

## EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	49	27	.643	0
New York	38	38	.500	11 1/2
Philadelphia	34	42	.447	15 1/2
Montreal	27	49	.351	22 1/2
Florida	21	49	.300	27 1/2

## CENTRAL DIVISION

Team	W	L	Pct.	GB
Houston	43	27	.611	0
Chicago	40	30	.571	3
St. Louis	35	35	.500	6 1/2
Pittsburgh	34	37	.479	9 1/2
San Diego	32	36	.471	11 1/2

## WEST DIVISION

Team	W	L	Pct.	GB
San Diego	43	27	.611	0
San Francisco	40	29	.577	3 1/2
Los Angeles	34	36	.486	11 1/2
Colorado	32	42	.438	15 1/2
Arizona	24	47	.338	22 1/2

## WEDNESDAY LINESCORES

## AMERICAN LEAGUE

Team	W	L	Pct.	GB
Boston	102	89	.532	12 1/2
Chicago	89	102	.466	0

## NATIONAL LEAGUE

Team	W	L	Pct.	GB
San Diego	102	89	.532	12 1/2
San Francisco	89	102	.466	0

## CRICKET

## ENGLAND VS. SOUTH AFRICA

## SECOND TEST, FIRST DAY

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN LONDON

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

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England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## THURSDAY IN NEW ZEALAND

Team	W	L	Pct.	GB
England	100	0	1.000	0
South Africa	0	100	.000	0

## RUGBY UNION



## WORLD CUP BRIEFS

### Thieves Take Cash And Tickets in Paris

About 15,000 presold World Cup tickets were stolen from the Paris office of Prime Sports International, a spokesman for the tour operator said.

A spokesman for the Paris police had no immediate comment on the theft.

The company, which also said that 3.3 million French francs (\$550,000) were stolen from its safe in the burglary Wednesday night, said it was offering a "no-questions-asked" reward of 1 million francs for the return of the tickets.

The World Cup Organizing Committee, the CFC, said that Prime Sports International was an official ticket handler. The missing tickets were for all matches, from the France-South Africa game Thursday in Paris through the July 12 final.

"These tickets are useless to the thieves because they bear all the numbers and names attributed to them by the CFC, but they are important to our reputation," said Steve Yovetich, a spokesman for Prime Sports International.

All World Cup tickets bear the name of the buyer and are non-transferable. Yovetich said that anyone who buys the tickets and tries to enter the stadium using them would be charged as an accomplice. (Bloomberg)

### Victory for Marseille Bars

French authorities dropped plans Wednesday to force bars in Marseille to close early over the weekend after complaints from local bar owners.

Marseille's regional prefect, Jean-Paul Proust, had ordered all bars and cafés to close at 11 P.M. from Friday to Sunday after drunken English World Cup fans rampaged through the city last weekend, Netherlands and South Korea play Saturday in Marseille. (AFP)

### Standard Liege Hires Ivic

Tomislav Ivic, a Croat who was fired by Iran as coach last month after a disappointing run in World Cup warm-up games, has signed a three-year contract with Standard Liege in Belgium's first division.

Standard's manager, Pierre Delahaye, confirmed the hiring of Ivic on Thursday but gave no further details. Ivic succeeds his compatriot Luka Peruzovic, who took over from Daniel Boccia, a Belgian, three months before the end of the season.

Ivic was hired by Iran in January after the national team had narrowly qualified for the World Cup finals. But he was dismissed in May and replaced by an Iranian, Jalal Talebi, after a humiliating 7-1 loss to AS Roma. Ivic also has coached at Ajax Amsterdam, Paris Saint-Germain, Olympic Marseille and Anderlecht. (Reuters)

### Quote/Unquote

"We thanked him for his concern but the decision remains unchanged."

—Alvaro Fina, president of the Colombian Football Federation, after his country's president urged him to keep Faustino Asprilla on the World Cup squad.

"It was purely a professional disagreement."

—Dunga, Brazil's captain, who had to be restrained by teammates during a dispute with the Brazilian forward Bebeto in the game with Morocco.

## U.S.-Iran Tactics: Ignore the Past

Players and Coaches Aim to Kick Politics and Stereotypes Into Touch

By Jere Longman  
New York Times Service

YSSINGEAUX, France — Jalal Talebi, who was appointed May 21 as Iran's fourth national soccer coach in the past seven months, has kept a residence for 17 years in the San Francisco Bay Area. His wife, Sira, owns a skin-care business and a vegetarian restaurant near Stanford University. His two oldest sons attended college in the area, and his youngest son, 17-year-old Bardia, is an accomplished soccer player who hopes to play at UCLA.

Although he met Steve Sampson, the U.S. coach, only once for a brief moment, the two men actually coached at different times at the same junior college in the Bay Area.

Such familiar suburban existences have significantly undercut the stereotypes surrounding the World Cup meeting this Sunday between Iran and the United States, initially viewed as a battle of ideologies between the forces of the Great Satan and the conservative clerics who ritualistically call for "Death to America."

From the moment the match was announced in December, the game was as intriguing for the expected nationalistic and political tension as it was for the outcome on the field. And as the game approaches, there is no avoiding the political component in the first soccer match between these two countries.

On Thursday, President Bill Clinton said that Iran, "is changing in a positive way" and the United States seeks "a genuine reconciliation."

"What we want is a genuine reconciliation with Iran based on mutual respect and reciprocity and a sense the Iranians are prepared to move away from support of terrorism and distribution of dangerous weapons," he said.

On Tuesday, Iranian exile groups opposed to the Islamic regime threatened to disrupt the game. Meanwhile, an insulted Iranian team continued to protest the airing of Iranian team on French television of an American movie that harshly depicts fundamentalist life in Iran.

But both teams are largely playing down the 20 years of bad blood between the countries. In fact, there are as many similarities and shared aspirations as there are differences between the two teams seeking international respect as soccer-playing nations.

"I am not a political man, I am a sportsman," Talebi, a 53-year-old Iranian native, said Wednesday here at Iran's training camp southwest of Lyon, where the game will take place. "We came here to show everyone there is no problems between people of two countries."

Talebi left Iran in 1980, a year after the Islamic revolution redefined Iranian society under the strict rules of fundamentalism and soccer was abandoned. As a coach, he said he had to look for work elsewhere, so he sent his wife and three sons to the United States to stay with a friend and he became a soccer vagabond, coaching in the United Arab Emirates, Dubai and Malaysia, as well as at two junior colleges in northern California. The 1994 World Cup came virtually to his doorstep in Palo Alto, California, and he sat and watched in the stands at Stanford University.

None of the family members is a U.S. citizen, but Talebi said they are legal residents. Sira Talebi, his wife, said Tuesday from Palo Alto that her American friends were excited about the games Sunday, but hardly for political or nationalistic reasons.

"All my friends just want to see my husband on TV," she said.

She has put up no team pictures or Iranian flags at her store, she said, because she did not want to make a political statement. "It is a friendly game," she said.

It is also an important game for both teams, which lost their opening matches and are in desperate need of victory. The Americans will not consider their World Cup a success unless they advance beyond the first round of group play. And after a 2-0 loss to Germany on Monday, they cannot achieve their goal without beating Iran. So they need a victory for victory's sake.

Most of the American players are so young, Sampson said, that they have "no idea" of the suffering of American hostages who were taken captive at the U.S. Embassy in Tehran in 1979 and held for 444 days.

WHEN asked about the political overtones of the match Sunday, midfielder Tab Ramos said: "I don't think we really care about that. I think that's more important to them than us. I haven't heard anyone say, 'Let's beat Iran, let's do it for Bill Clinton.'"

The Iranians, by contrast, were the last team to qualify for the 32-team field. This is their first appearance in the World Cup in 20 years, and there was never any real chance of advancing to the second round, especially not after their 1-0 loss to Yugoslavia on Sunday and with a game remaining against three-time world champion Germany.

Still, the Iranians want to win against America because this is the one game they believe they can win.

Even before President Clinton's remarks, Mohammed Khatami, the relatively moderate president of Iran, had

called for cultural exchanges between the two countries to break down a "wall of mistrust," and many Iranian fans and players said they hoped this match would improve relations. Some said they hoped soccer diplomacy might do what ping-pong diplomacy did for relations between China and the United States almost three decades ago.

"We don't have any problems with the United States players," said Alireza Mansourian, an Iranian midfielder. "We want to find new friends."

Still, politics inevitably keeps bubbling to the surface. After Iranian wrestlers were held up in customs on a visit to the United States this spring, Iran prevented the Americans from scouting a pre-World Cup tournament in Tehran. Sampson said.

"We will not lose the game," Khodadad Azizi, the top Iranian forward and the Asian player of the year in 1997, said during a pre-World Cup tournament in Tehran. "Many families of martyrs are expecting us to win. We will win for their sake."

Azizi said Monday it was "imperative" that Iran win the match, which he called "the most important of my life."

A group of exiled Iranians who played in the country's last World Cup team, in 1978, said at a news conference in Paris last week that they believed the game Sunday would have little effect in improving diplomatic relations.

The players accused the fundamentalist regime of killing in 1984 the captain of the 1978 team, Habib Khabiri, for political reasons.

And they said they believed that conservative clerics who hold ultimate power in Iran will use the game for propaganda purposes.

Another political brushfire broke out this week, when French television showed the movie "Not Without My Daughter," starring Sally Field and depicting the true story of an American woman who left Iran with her daughter against the wishes of her Iranian husband.

Talebi called the movie "insulting" and accused the private French network that broadcast it of deliberately trying to rile political waters.

Two decades after the Islamic revolution, soccer has been revived as a great secular passion in Iran. Millions took to the streets in spontaneous demonstration after Iran qualified for the World Cup in November and an estimated 5,000 women pushed their way into the national stadium, where they are normally forbidden, to greet the team on its return from a playoff match in Australia.

But the team has been in chaos since, having had four coaches in the past seven months. The Iranians prefer an open, Brazilian style featuring individual flair, and, when the defensive tactics of a Croat named Tomislav Ivic failed to produce desired results, he was dismissed and Talebi was hired three weeks before the World Cup began.

Talebi's newly fashioned team attacked assertively, played cohesively and committed 30 fouls with hard tackling against Yugoslavia, eventually losing 1-0.

Iran is preparing for the match Sunday in the small town of Yssingaux, which has housed the team in a castle that now serves as the National Higher College of Bakery.

Iran's top three players — the forwards Azizi and Ali Daei and midfielder Karim Bagheri — all play professionally in Germany's highly regarded Bundesliga.

Before the match last weekend against Yugoslavia, the Iranian players presented their opponents with roses. Talebi said his team would make a similar gesture of friendship and sportsmanship with the U.S. players. "I promise, there will be a surprise," the coach said.

As he drove away, Talebi added: "Please don't make it too big for us. This is a game. A game."



Cameroon's Raymond Kalla Nkongo, right, being sent off against Italy.

## Why Some Referees Trip On Tough Tackling Rules

By Peter Berlin  
International Herald Tribune

PARIS — Before he flashed the red card, referee Lennie Edwards's World Cup must have flashed before his eyes.

One day after Sepp Blatter, the president of FIFA, the world soccer's governing body, had told referees to toughen up on tackles from behind, Edwards had gone soft on a particularly ferocious one.

Cameroon was already trailing Italy, 1-0, in its Group B game in Montpellier on Wednesday night when Pierre

### VANTAGE POINT

Njanka plowed into Roberto Baggio, Italy's star player, from behind, flipping Baggio in the air.

Before the World Cup, Blatter, who tends to see the tackle from behind as the root of all soccer evil, had urged referees to show the red card. FIFA made a video to show referees what was wanted.

If there is a sequel to the video, Njanka's tackle should be on it and would merit an X certificate.

After the foul, Edwards allowed play to go on while an Italian attack developed and Baggio, a well-known writher, did some writhing.

There were reasons for avoiding a red card. It would leave Cameroon playing catch-up with just 10 men for more than an hour. It would stir up controversy.

When the ball went in to touch, Edwards summoned Njanka — and showed him only a yellow card. Njanka stayed on the field.

Edwards surely knew that FIFA is less forgiving. Referees who have ignored FIFA's get-tough directives in recent World Cups have found that they, like the weaker teams, are eliminated after the first round.

Just before halftime, Raymond Kalla Nkongo planted all his studs on the thighs of Luigi Di Biagio and Edwards swiftly brandished the red card.

It was a tackle from in front rather than behind and Kalla had committed himself to it long before Di Biagio inconveniently lay down right in Kalla's landing zone. Some, including Kalla, felt the punishment was harsh.

"I was stunned," said Kalla, who had not yet committed a foul in the match. "I mean the first thing I touched was the ball. I've never gotten a red card before, not even in a club match."

On Thursday, Di Biagio denied that he was play-acting.

"The only thing I can say is that I didn't fake injury," he said at Italy's

training base.

While Kalla's foul was not as bad as Njanka's, the vast majority of referees would have shown him at least a yellow card and many would have shown red.

World Cup talk has been so dominated by the tackles from behind that it is easy to forget that there are plenty of other forms of violent play that merit severe punishment. A tackle involving not one but both sets of studs is one of those. Kalla may have been a little unlucky where he landed after a wild leap, but he was heading for a card of some color as soon as he took off. He may have intended to win the ball, but although the word "intent" crops up in the soccer's laws, referees are not mind readers and have to go on what they see. What Edwards saw was ugly.

FIFA implicitly endorsed the red card Thursday by suspending Kalla for two matches instead of the normal one.

John Jairo Toro Rendón, the referee for the match between Denmark and South Africa on Thursday, certainly seems to understand what FIFA wants: he handed out three red cards.

If the Cameroonians always play like this at home, how is it they have 22 fit players to form a World Cup squad?

Perhaps the answer is that, although many earn a living in European leagues, for much of their lives, like many in hot countries, they often play in bare feet. The sole of a bare foot, even one not used to shoes, inflicts little damage.

Expensively shod for the World Cup, the Cameroonians have shown a particular taste for exotic, colored boots.

Kalla's sending-off was a reminder that whatever color the uppers, in a referee's eyes the studs on the sole of boots are always, quite rightly, yellow or red. A player who shows them in the tackle is likely to injure and should expect to see a colored card.

Indeed, when it has finished making videos, FIFA might turn its attention to designing sports apparel and order the manufacturers to paint the soles of boots red as a handy visual reminder.

It might also suggest paper shirts — some of those in the World Cup are so skimpy they are almost paper anyway.

The more worldly pros from Europe, South America and Africa adjusted in advance to FIFA's promise to stamp down on tackles from behind. They have been stopping opponents by clutching, grabbing and pulling. The curse of this World Cup has been grasping hands. Paper shirts that came off in those hands might help the attackers break free and the referees identify the offenders.

And referees need all the help they can get.



Mohammed Khakpour of Iran enjoying a respite from training Thursday.

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## Bulgarians Aim to Exploit 'Weakness' in Nigeria Defense

The Associated Press

Bulgaria vs. Nigeria, Paris, 5:30 P.M. Ask Taribo West what he thinks about Bulgaria and the Nigerian defender drops his tough-guy demeanor. "They're the same as four years ago," West said, "but older."

The two countries play Friday in a rematch of a group game at the 1994 World Cup, when the quicker, slicker Nigerians cruised to a 3-0 victory.

Against Paraguay, Bulgaria used seven players who are 30 or older. But Hristo Bonev, the Bulgarian coach, does not think much of the Nigerian defense in which West plays. He called it Nigeria's "weak point."

"Winning that first match helps."

said Bora Milutinovic, the Nigerian coach. "A lot depends now on how you control your emotions. No one can put pressure on you if you don't want it."

Emil Kostadinov, who came off the bench against Paraguay, may start for Bulgaria. In his last trip to the Parc des Princes, on the last day of European qualifying for USA '94, Kostadinov scored twice in a 2-1 defeat of France.

Marian Hristov looks set to fill in at right back for Anatoli Nankov, who received the first red card of the tournament. In addition, midfielder Ilan Iliev is fighting a hamstring injury and might be ruled out.

Spain vs. Paraguay, Saint-Etienne, 9:00 P.M. Spain and Paraguay meet for the first time ever, both desperate for a victory.

Spain is at the bottom of Group D with no points after a 3-2 defeat by Nigeria. The loss was only Spain's second in 35 games.

Paraguay boasts one point from its scoreless tie with Bulgaria. Its final group match is against Nigeria next Wednesday.

"It will be a difficult match for both," said Jose Luis Chilavert, the Paraguayan goalkeeper. "But I think it will be more so for them because they have to win. Otherwise they go home."

"They also need to win if they are to qualify," said Miguel Angel Nadal, the Spanish defender. "I think we're in the same boat, although Spain, if it plays well, is the superior team."

The Spaniards this week confessed to knowing little about Paraguay beyond a video of the Bulgarian game. Nadal, with a minor calf problem, is Spain's only injury concern, while Paraguay looks certain to be without Celso Ayala because of a hip injury.

The South American side, however, should be able to count on right winger Francisco Arce, who missed the game against Bulgaria with a thigh injury.

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**Spain v Paraguay 21.00 (CET)**

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**4-0 Victory For France As Saudis Bow Out**

PARIS — France's 4-0 victory over Saudi Arabia in the World Cup quarterfinals on Thursday was a historic moment for the host nation, marking their first-ever victory in a World Cup knockout stage match. The Saudis, who had been considered favorites, were eliminated from the tournament.

The match was a tactical masterclass by France, with Zidane and Deschamps leading the attack. Saudi Arabia's defense was overwhelmed by the speed and skill of the French players.

The victory sends France into the semifinals, where they will face Brazil. Saudi Arabia will play in the consolation tournament.

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WORLD CUP

# 4-0 Victory For France As Saudis Bow Out

The Associated Press

PARIS — France became the second team to qualify for the second round of the World Cup, beating Saudi Arabia, 4-0, Thursday in a game that featured two ejections.

It was a bittersweet victory for the French, who lost striker Christophe Dugarry with a torn hamstring and had his most talented player, Zinedine Zidane, ejected as part of a wave of red cards that hit the tournament Thursday.

Zidane will be automatically suspended for France's next match against Denmark, a game that could decide seeding for the second round.

With the defeat, Saudi Arabia became the first team to be eliminated from contention for the second round. The Saudis lost to Denmark, 1-0, last week, while France beat South Africa, 3-0.

Thierry Henry scored in the 36th and 77th minutes; David Trezeguet, who took Dugarry's place, got a goal in the 68th; and Bixente Lizarazu in the 85th. The first two goals came when the French were playing 11-on-10, after the ejection of the Saudi defender Mohammed Khilawi in the 19th minute.

Khilawi's red card was given for a tackle on Lizarazu as the French defender raced after the ball down the left sideline. The tackle looked spectacular because of the speed of Lizarazu, who tumbled and nearly landed on a bird on the grass beyond the end line.

Zidane was expelled for stepping on Fuad Amin's hip after he tackled the Saudi midfielder in the 70th minute.

The tough stand by the Mexican referee, Arturo Brizio Carter, came one day after Sepp Blatter, the president of FIFA, soccer's governing body, and Michel Platini, chairman of the World Cup organizing committee, said referees were not following a pretournament dictate that rough play — especially tackles from behind — be severely punished.

Dugarry tore his hamstring in the 30th minute when he pulled up lame trying to play the ball near the Saudi penalty area. France also played without striker Stephane Guivarch, who has a strained right knee.



South Africa's David Nyathi, left, kicking the ball away from Denmark's Brian Laudrup in a game Thursday.

## Cards Galore as Denmark Ekes Out Tie

The Associated Press

TOULOUSE, France — Denmark survived a card-strewn battle with South Africa to get a 1-1 draw Thursday and move within sight of the second round of the World Cup.

The draw gave Denmark a total of four points, moving it atop Group C pending the outcome of the match Thursday night between France and Saudi Arabia. The result left South Africa's hopes mathematically alive, but it has little realistic chance of advancing.

Denmark ended the match playing nine-on-10 after John Jairo Toro, the Colombian referee, ejected Danish substitutes Miklos Molnar in the 67th and Morten Wieghorst in the 85th — only three minutes after the latter entered the game.

Alfred Phiri of South Africa received a red card two minutes after Molnar in a game which, in addition to the three

reds, saw seven yellows issued. Alan Nielsen had given the Danes the lead with a far-post volley in the first half.

South Africa tied the match in the 53d minute.

But the second half degenerated into series of fouls, leaving little opportunity for serious chances.

Benny McCarthy scored South Africa's first World Cup goal in its

history when he ran onto Shaun Bartlett's backheel touch off a pass from John Moshoeu.

McCarthy received the ball between Jes Høgh and Søren Colding and rolled the ball between the legs of Danish keeper Peter Schmeichel.

South Africa came close in the dying seconds when Quinton Fortune blasted a ball from the top of the penalty area off the crossbar.

Denmark dominated the first half but missed its chances to put the game away, twice striking the goalpost.

Nielsen volleyed Brian Laudrup's cross in at the far post in the 13th minute to give Denmark the lead.

Denmark came within centimeters of a second goal on a corner by Martin Jørgensen, whose in-bending kick floated over Vonk and banged off the far post.

The rebound came to Laudrup, who put a diving header from six meters into the stomach of a sprawled Vonk.

Denmark hit the same post again in the 42d when Ebbe Sand ripped a right-footed shot from the top of the penalty area.

South Africa's best chance came in the 28th minute when McCarthy sent in a rolling cross off a busted play through the goal box, but an onrushing Helman Mkhalele could not get his foot to it to poke it in.

## Son Sends a Message To Goalkeeper Dad

As Spanish Eyes Bear Down on Zubizarreta

By Rob Hughes  
International Herald Tribune

SAINT-ETIENNE, France — Andoni Zubizarreta, the very picture of despair around the Spanish camp in Chantilly since he gave Nigeria a gift goal in their match last week, was called to the telephone.

"Hey Papa," he was greeted, "whatever you do, don't let Chilavert score against you in Saint-Etienne." Maybe for a second Zubi thought his son, a blossoming 14-year-old goalkeeper in Valencia, was adding to the burden of criticism. Then it dawned: The boy was giving his dad a message: Stop looking back, stop looking down. The next challenge is coming.

Zubizarreta Jr. had heard — didn't we all? — how that braggart Jose Luis

cause, at 36, not even goalkeepers are invulnerable to the aging process.

Was it coincidence that Zubizarreta's faux pas — mistiming his move at the near post and pushing a tame center from Garba Lawal across his own goal line — came just a few months after Spain played in the game that inaugurated the Stade de France in January and Zubi allowed a shot to slip through his hands?

It was cold that night, possibly numbing for a goalkeeper. It was warmer, but damp, in Nantes when the Nigeria goal went in and the seeds of doubt were sown about Spain's goalkeeper.

Is Zubi what he was? Are his eyes as keen, his reflexes as sharp, his body as supple or as agile as they need to be at this level?

These are terrible questions to ask, and I'm hoping that Old Zubi proves me wrong Friday in Saint-Etienne. I hope, in goalkeeper parlance, that he keeps a "clean sheet," which means the ball never crosses his line, but I do hope that Chilavert does have a real chance to score because it is out of the ordinary when goalies try to beat goalies.

It's also the good guy versus the bad. Zubizarreta has not, to my knowledge, spat in the eye of an opponent, as Chilavert did to Colombia's Faustino Asprilla, causing a brawl that cost the Paraguayan goalkeeper a four-match suspension last year.

THERE will be clashing personalities between the goalposts Friday night. But the contest will not rest exclusively on them.

While Zubizarreta took all the flak for Spain's loss — and too few Spaniards acknowledged the indomitable spirit with which Nigeria twice came back from a goal down — Raul Gonzalez, the young prince of Madrid soccer, took plaudits for one smart goal but largely escaped criticism for missing three more opportunities.

If such chances come again Friday, and if Gonzalez nets them against Paraguay, the goalkeeper story will be almost irrelevant. But not to a boy in Valencia.

Papa, don't let that man shoot you down.

Rob Hughes is Sports Correspondent of The Times of London.

## WORLD CUP SCOREBOARD

### FIRST ROUND

GROUP A	W	T	L	GF	GA	Pts
Brazil	2	0	0	5	1	6
Nigeria	0	2	0	3	2	2
Scotland	0	1	1	2	3	1
Morocco	0	1	1	2	5	1

JUNE 16, IN ST. DENIS

Brazil 2, Scotland 1  
Nigeria 2, Morocco 0

JUNE 17, IN MONTPELLIER

Scotland 1, Nigeria 1  
Morocco 0, Brazil 2

JUNE 18, IN BORDEAUX

Scotland 1, Nigeria 1  
Morocco 0, Brazil 2

JUNE 19, IN MONTPELLIER

Scotland 1, Nigeria 1  
Morocco 0, Brazil 2

GROUP B	W	T	L	GF	GA	Pts
Italy	2	0	0	5	2	6
Austria	0	2	0	3	3	2
Cameroon	0	1	1	1	4	1

JUNE 17, IN BORDEAUX

Italy 2, Cameroon 0  
Austria 1, Cameroon 0

JUNE 18, IN TOULOUSE

Italy 1, Austria 0  
Cameroon 0, Austria 1

JUNE 19, IN ST. ETIENNE

Italy 2, Austria 0  
Cameroon 0, Austria 1

GROUP C	W	T	L	GF	GA	Pts
Denmark	2	0	0	5	2	6
South Africa	0	2	0	3	3	2
France	0	1	1	1	4	1

JUNE 17, IN TOULOUSE

Denmark 2, South Africa 0  
France 0, South Africa 1

JUNE 18, IN ST. DENIS

Denmark 1, France 0  
South Africa 0, France 1

JUNE 19, IN BORDEAUX

Denmark 1, France 0  
South Africa 0, France 1

GROUP D	W	T	L	GF	GA	Pts
Germany	2	0	0	5	2	6
Yugoslavia	0	2	0	3	3	2
United States	0	1	1	1	4	1

JUNE 17, IN ST. ETIENNE

Germany 2, Yugoslavia 0  
United States 0, Yugoslavia 1

JUNE 18, IN MONTPELLIER

Germany 1, United States 0  
Yugoslavia 0, United States 1

JUNE 19, IN BORDEAUX

Germany 1, Yugoslavia 0  
United States 0, Yugoslavia 1

GROUP E	W	T	L	GF	GA	Pts
Colombia	2	0	0	5	2	6
Colombia	0	2	0	3	3	2
Colombia	0	1	1	1	4	1

JUNE 17, IN LYON

Colombia 2, Colombia 0  
Colombia 0, Colombia 1

JUNE 18, IN MONTPELLIER

Colombia 1, Colombia 0  
Colombia 0, Colombia 1

JUNE 19, IN BORDEAUX

Colombia 1, Colombia 0  
Colombia 0, Colombia 1

GROUP F	W	T	L	GF	GA	Pts
Germany	2	0	0	5	2	6
Yugoslavia	0	2	0	3	3	2
United States	0	1	1	1	4	1

JUNE 17, IN ST. ETIENNE

Germany 2, Yugoslavia 0  
United States 0, Yugoslavia 1

JUNE 18, IN MONTPELLIER

Germany 1, United States 0  
Yugoslavia 0, United States 1

JUNE 19, IN BORDEAUX

Germany 1, Yugoslavia 0  
United States 0, Yugoslavia 1

### DENNIS THE MENACE



"SOMETIMES IT DOESN'T COME BACK BY ITSELF, SO I'VE GOT TO KICK AS BACKUP!"

JUMBLE

YESIT

KLAF

VACTAR

ONPEL

YOU MIGHT CALL THE COUPLES FAVORITE SPOT IN THE HILLING ALLEY THE

Now arrange the letters to form the words, as suggested by the clues.

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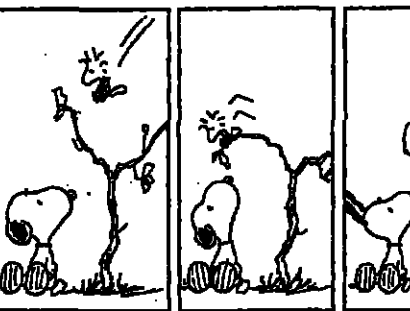
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GARFIELD

WELL, IT'S TIME TO LOOK BACK AND TAKE STOCK...

TIME TO COUNT MY BLESSINGS...

HAPPY 20TH BIRTHDAY GARFIELD!

TIME TO START LYING ABOUT MY AGE

BEETLE BAILEY

I'M GIVING YOU A PARKING TICKET

I WASN'T PARKING

I WAS READING

NO STANDING 6-7 PM

NO PARKING VEHICLES OVER 6 FT

LOADING ZONE

BLONDIE

IT'S KIND OF SLOW TODAY, ISN'T IT?

SLOW IS AN UNDERSTAMENT

IT'S BEEN SO BAD WE'RE MAKING PRETEND DEALS TO EACH OTHER

I'LL TAKE THAT ONE AND THEN YOU CAN SELL ME THOSE TWO OVER THERE

VERY GOOD, SIR

AND THEN YOU CAN SELL ME THOSE TWO OVER THERE

WIZARD of ID

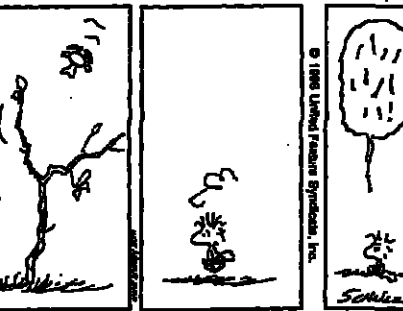
I THOUGHT YOU SAID YOU'D FIND ME A LOOHPLE!

YOU'RE WEARING IT

NON SEQUITUR

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### CALVIN AND HOBBS



RUMBLE RUMBLE

POW!

EITHER I'M GREATLY DECEIVED, OR SOMEONE OPENED A CAN OF TUNA IN THIS VICINITY.

YES, ALL OVER THIS VICINITY.

DOONESBURY

DR. I CAN'T BELIEVE YOU JUST DROPPED YOUR SON OFF AT AN ADULT FILM FESTIVAL!

MR. BILLY, THIS IS AMAZING! HOW QUICKLY HE'S GROWN UP! HE'S A MAN!

BUT YOU CAN'T PROTECT KIDS FROM THE DARK, AND THEY'VE NEVER HONORED THEIR BASIC BIO-MECHANICS.

NO, MR. BILLY, THIS COUNTRY HAS SHAGGED UNTIL THE JAZZES LONG ENOUGH!

HELL, IN ELEC. ONE THEY SHUN THESE FILMS IN DRY CASE CENTERS!

I HATE MY BRA.

STEFAN PISKI

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# POSTCARD

## The People's Choices

By Craig R. Whitney  
New York Times Service

PARIS — Zagat Survey's first Paris Restaurant Guide has arrived at newsstands and bookstores here, introducing French readers to the novel idea that customers can rate restaurants just as well as Michelin's and Gault Millau's authoritative inspectors.

And surprise — the 1,710 diners (out of 20,000) who returned the questionnaires Zagat used for its ratings put the venerable Taillevent at the top of their list, both for its cuisine and for being a "favorite" restaurant.

Michelin, which awarded Taillevent and five other Paris restaurants its top three-star rating this year, might also be surprised to find two restaurants to which it gave only two stars, Guy Savoy and Faugeron, among the top six of the 40 that Zagat's Parisian respondents rated as having the best food in the capital.

Alain Ducasse, the sensation of the French culinary world since Michelin awarded three stars this year to two of his restaurants, in Paris and in Monte Carlo, came in fifth for his cooking in Zagat's rating and sixth as favorite restaurant, a category Michelin does not have.

"I don't agree with the choices, though I think the guide is a good idea," Ducasse said. "I don't think it can be truly accurate. My restaurant has room for only 50 people. A restaurant that has 100 could get twice as many votes as I do."

Zagat says that its statistical averaging methods can take care of that, but Jean-Claude Vrinat, the proprietor of Taillevent, where Philippe Legendre is the chef, had another worry about his top ratings. "Now I have to try to keep them," he fretted.

For the most part, critics here and elsewhere in Europe seem to agree so far. Costing 69 francs, a little more than \$11, the Zagat covers 825 restaurants in Paris, 300 more than Michelin.

Zagat may shuffle around the places that Michelin's authoritative inspectors place at the top of the firmament, but all 10 of Zagat's top-rated restaurants for food have two or three Michelin stars, suggesting that customers probably found these places by using traditional guides.

"About 96 percent of our respondents answered in French, which we assume means they are French, not Americans," said Nina Zagat, a New York lawyer who with her husband, Tim Zagat, started the guides in 1982.

Beauvilliers in Montmartre, the Paris Zagat says, is "romantic" and "overflowing with flowers" for some, but "pretentious" and "odiously expensive" for others. Chez l'Ami Louis, which isn't even in the Michelin guide, is frequented, Zagat says, by "people with big appetites and Americans," consuming "enormous portions" and paying equally big prices.

Prices, the Zagats say, are higher in Paris than in any of the other 45 cities that their guides cover, an average of \$48 a person for a meal, including wine and service, compared with \$43 in London and \$31 in New York City.

The top 10 in Paris are, in order: Taillevent, L'Ambrassie, Arpege, Guy Savoy, Alain Ducasse, Faugeron, Lucas Carton, Pierre Gagnaire, Michel Rostang and Grand Vefour.

## Life After Death for a Japanese Rock Star

By Neil Strauss  
New York Times Service

TOKYO — "And jumping into the No. 1 spot this week," announced Hiroshi Morita from the studios of NHK radio here last week, "is 'Pink Spider' by Hide. As you may already know, Hide is the former guitarist of the group X Japan who shocked his fans by committing suicide recently."

The studio began to buzz with murmuring. "His record company says it was an accident," said one engineer, as those around him laughed.

Another said: "The label also says it's sticking with Hide's original release plan." More laughter.

At newsstands, Hide's face graces the cover of almost every music magazine; in shopping districts, outfits like his sell for several hundred dollars; on television, his videos are repeated as often as commercials, and in record stores his singles are everywhere.

Below "Pink Spider" in the Top 10 was a previous Hide single, "Rocket Dive," and this week "Pink Spider" was knocked out of the No. 1 slot by another single, "Stay Free," also by Hide.

In just a few weeks, pop culture in Japan had gone from mourning Hide's death to consuming it. Hide (pronounced Hee-DAY) was the intensely charismatic guitarist in X Japan, one of the country's first and most successful independent-label rock acts (though the band later signed with a major label) and the first Japanese rock band to sell out the 50,000-seat Tokyo Dome. Since it formed in the mid-1980s, X Japan went from playing loud, fast thrash-metal to stadium-shaking pop ballads, in the process pioneering its own genre, a Japanese equivalent of glam rock known as "visual kei."

For visual kei bands, outrageous, usually androgynous looks — gobs of makeup, hair dyed and sprayed in ways that made Mohawks look conservative, and a small fortune spent on leather and jewelry —



Fans of the rock group X Japan arriving at the funeral service in Tokyo for Hide.

were as important as music (or, in many cases after X, more important than music). When X members followed in the steps of American hard-rock bands like Metallica and cut their hair in the '90s, thousands of Japanese girls wept openly in the streets.

X actually signed with Atlantic Records in the United States, but the band never released an album at home. It broke up late last year, and Hide began to emerge from the shadow of the band's most popular member, the drummer Yoshiki, who released a classical album with the Beatles' producer George Martin and the London Philharmonic Orchestra.

With a blossoming solo career, everything seemed to be going well for Hide until May 2, when he was found dead in his apartment, a towel

looped around his neck and tied to the bathroom doorknob. Within a week, five teenage Japanese girls had tried to kill themselves while playing X music or wearing X merchandise. Three succeeded.

At his funeral, 50,000 young fans mobbed the streets. By the day's end, about 60 of them were taken to hospitals, and nearly 200 received medical treatment in first-aid tents after passing out or injuring themselves. One girl tried to slit her wrists with a plastic knife.

"Please do not follow him," urged the surviving members of X. "Do not commit suicide. Send him off to heaven warmly."

Bryan Burton-Lewis, a radio- and video-show host who toured with Hide as a disk jockey, said the funeral was the most crowded ever for a postwar Japanese musician.

which was surprising considering that hardly anyone over 30 knew who he was.

"The wake was sad," he remembered. "I was sitting in there for two hours, and all you heard outside was kids screaming from the bottom of their stomachs. They sounded like demons. In Japan, the image that we have of the X audience is rural kids going through a rebellion phase. They put their life into being X fans. They dress like it, they breathe it, they all talk about how he gave them something to live for."

"A lot of what Hide did was grotesque. He talked about suicide in his records for five years. But the fans who followed him always knew there was a Hide behind that who was a very solid character. He was very outspoken

about freedom and doing what you want, and he took on a fan who had a rare bone marrow disease as a personal crusade."

While the authorities decided that Hide killed himself, his friends and former band members said they felt certain it was not suicide, despite the dark lyrics of some X and Hide songs. Most remembered Hide as a character who would go out of control when he was drunk, often getting himself into some sort of trouble and then claiming not to remember a thing the next day. His death in this strange circumstance, they said, was a drunken accident.

"I saw him a few days before he passed away, and I had no indication from him that anything was wrong other than that he was exhausted," said Paul Raven, an English musician who played bass in Killing Joke and Prong. Raven had recently formed an industrial hard-rock band with Hide called Zilek. Its debut album will be released in Japan on July 23 and features former members of Nine Inch Nails and the Cult.

"He was under a lot of pressure to finish his solo record," Raven continued. "He had three songs completed the day before he died, and now mysteriously a full album is coming out nine days before ours."

In some ways, Hide was reminiscent of Kurt Cobain of Nirvana, who killed himself in 1994, although Hide had a less bleak worldview. Hide, like Cobain, said he felt like a marginal alternative-minded figure trapped in the image of a pop star. He despised the music business and wanted to change it; he represented a generation of fans who felt alienated, and his death represented the end of a genre.

"To a certain extent, Hide's death means the end of an era," said Steve McClure, Tokyo bureau chief for Billboard, the music-industry magazine. "X were the first generation of visual kei bands, but the novelty has worn off. For the next generation of bands, it's like, 'That's it. The torch has been passed to us.'"

## PEOPLE

A MAN convicted of stalking the director Steven Spielberg was sentenced to 25 years to life in prison after the director told the judge, in Santa Monica, California, that he feared for his life. "If he's out on the street, I will live in fear," Spielberg said of Jonathan Norman who was convicted in March of plotting to break into Spielberg's mansion, hold him and his family hostage and rape him.

President Bill Clinton and his wife, Hillary, were the hosts of this year's Pritzker Architecture Prize dinner, in celebration of the award's 20th birthday — and of architecture's role in shaping civilization in the next millennium. The Italian architect Renzo Piano was awarded the \$100,000 Pritzker prize. It was the first time that the prize was given at the White House.

A painting by Prince Charles was sold for \$7,500 at an auction in Manhattan to benefit the New York Academy of Art. Bidding for the watercolor landscape of Hong Kong harbor opened at \$4,000 and quickly rose before it was sold to Peter Thomas Roth of Manhattan. "I always wanted to buy another one of his artworks, a castle, and I never did," Roth said. The eighth annual Take Home a Nude auction featured more than 250 works that had been donated by such artists as Eric Fischl, Julian Schnabel and Kenny Scharf.

Steve Sires looks enough like Bill Gates to fool folks by the roomful. With his wire-rimmed spectacles, tousled hair and boyish expression, Sires draws stares in restaurants and gets requests from strangers for tips on Microsoft stock. Sires so far is taking his serendipitous celebrity in stride. "It hasn't gotten to the point of being irritating yet," he said. Sires' wife, Pam, pointed out his uncanny resemblance to

the head of Microsoft 10 years ago, and encouraged her husband to turn it to his advantage. She called Entico International, based in Lynnwood, Washington, a company that helps corporations plan meetings and other events and was seeking a Gates look-alike. Sires began working with Entico in February and has made a handful of appearances so far at business parties and ribbon-cutting ceremonies. But he's one of the agency's star attractions, along with a George Burns look-alike and a clone of Microsoft's co-founder, Paul Allen. Sires, 40, a civil-engineering designer, of suburban Bothell, Washington, is low-key about the resemblance to Gates. "There are a lot of similarities, but we're not the same," he said. There's also the difference between their bank balances — a point Sires says he's often ribbed about. But like the real Bill Gates with his antitrust woes, Sires may soon be facing stiff competition: Entico has a Leonardo DiCaprio look-alike in the wings. "I'm not quitting my day job yet," Sires said.

A little more than a year after becoming a father for the first time, 78-year-old Tony Randall is a father again. Randall and his 28-year-old wife, Heather, are parents of Jefferson Salvini Randall, who was named after two performers of the late 1800s — the comic actor Joseph Jefferson and the Italian tragic actor Tommaso Salvini. The couple also has a 14-month-old daughter, Julia Laurette.

Queen Elizabeth II has helped her former daughter-in-law, the Duchess of York, buy a seven-bedroom mansion outside London, the Daily Mail reported Thursday. Birch Hall, a £1.5 million (\$2.5 million) 18th-century house in five acres of woodland, is just three miles from Sunninghill, the home she shared with her ex, Prince Andrew. The paper reported that the queen helped fend off a rival bidder after Fergie offered only £1 million by coming up with the extra £500,000.



Steve Sires, a.k.a. Bill Gates of Microsoft, outside the company's offices.

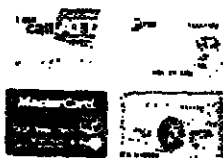


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